

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
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FILER

MAIN PLACE REAL ESTATE INVESTMENT TRUST /MD/

CIK: **927627** | IRS No.: **752547042** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
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SIC: **6189** Asset-backed securities

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29TH FLOOR
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Business Address
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended
September 30, 1996

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____ .

Commission File Number 33-82040

MAIN PLACE REAL ESTATE INVESTMENT TRUST

(Exact name of registrant as specified in its charter)

Maryland 56-1996001

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification Number)

100 North Tryon Street, 23rd Floor, Charlotte, NC 28255

(Address of principal executive offices) (Zip Code)

(704) 388-7436

(Registrant's telephone number, including area code)

Main Place Funding Corporation, 1201 Main Street, 29th

Floor, Dallas, Texas 75202 (Former name and former

address, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1) (a) AND (b) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT.

On November 14, 1996, there were 100,000 shares of the registrant's common stock outstanding, all of which shares are held by Main Place Holdings Corporation, an indirect, wholly owned subsidiary of NationsBank Corporation.

Main Place Real Estate Investment Trust

September 30, 1996 Form 10-Q

Index

Part I. Financial Information

Item 1. Financial Statements

Balance Sheet on September 30, 1996 and December 31, 1995

Page

3

Statement of Income for the Three Months and Nine Months Ended September 30, 1996 and 1995	4
Statement of Cash Flows for the Nine Months Ended September 30, 1996 and 1995	5
Statement of Changes in Shareholders' Equity for the Nine Months Ended September 30, 1996 and 1995	6
Notes to Financial Statements	7
Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition	9
Part II. Other Information	
Item 5. Other Information	10
Item 6. Exhibits and Reports on Form 8-K	11
Signature	13
Index to Exhibits	14

PART I. FINANCIAL
ITEM 1. FINANCIAL STATEMENTS

MAIN PLACE REAL ESTATE INVESTMENT TRUST
BALANCE SHEET
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	September 30 1996	December 31 1995
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents.....	\$ 4,743	\$ 4,870
Securities available for sale.....	75,111	-
Amount due from Trustee.....	74,790	106,531
Mortgage loans, net of unearned income.....	4,681,776	4,523,744
Allowance for credit losses.....	(19,149)	(17,805)
Interest receivable.....	26,855	21,907
Other assets.....	7,554	9,199
	-----	-----
	\$ 4,851,680	\$ 4,648,446
LIABILITIES	=====	=====
Accrued expenses.....	\$ 39,540	\$ 22,137
Mortgage-backed bonds.....	2,999,493	2,999,342
Subordinated notes.....	1,072,733	1,320,183
	-----	-----
	4,111,766	4,341,662
	-----	-----
SHAREHOLDER'S EQUITY		
Common stock, \$.01 par value: authorized - 1,000 shares; issued - 100 shares..	-	-
Additional paid-in capital.....	718,515	299,648
Retained earnings.....	22,244	7,136
Net unrealized losses on securities available for sale.	(845)	-
	-----	-----
Total shareholder's equity.....	739,914	306,784
	-----	-----
	\$ 4,851,680	\$ 4,648,446
	=====	=====

</TABLE>

See accompanying notes to financial statements.

MAIN PLACE REAL ESTATE INVESTMENT TRUST
STATEMENT OF INCOME

<TABLE>
<CAPTION>

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
Income				
Interest and fees on mortgage loans.....	\$ 85,472	\$ 55,915	\$ 259,390	\$ 116,079
Interest on securities available for sale...	1,365	-	1,365	-
	-----	-----	-----	-----
Total income.....	86,837	55,915	260,755	116,079
	-----	-----	-----	-----
Expenses				
Interest.....	64,509	38,281	197,804	90,260
Other operating expenses.....	3,166	2,711	9,806	4,972
	-----	-----	-----	-----
Total expenses.....	67,675	40,992	207,610	95,232
	-----	-----	-----	-----
Income before income taxes.....	19,162	14,923	53,145	20,847
Income tax expense.....	7,281	5,223	20,195	7,296
	-----	-----	-----	-----
Net income.....	\$ 11,881	\$ 9,700	\$ 32,950	\$ 13,551
	=====	=====	=====	=====

</TABLE>

See accompanying notes to financial statements.

MAIN PLACE REAL ESTATE INVESTMENT TRUST
STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30	
	1996	1995
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net income.....	\$ 32,950	\$ 13,551
Reconciliation of net income to net cash provided (used) by operating activities		
Net increase in interest receivable.....	(1,047)	(17,588)
Net increase/(decrease) in accrued expenses.....	17,403	(16,898)
Other operating activities.....	5,648	(2,239)
	-----	-----
Net cash provided (used) by operating activities.....	54,954	(23,174)
	-----	-----
INVESTING ACTIVITIES		
Net decrease/(increase) in amount due from Trustee.....	31,741	(41,786)
Net reduction of mortgage loans outstanding.....	677,220	194,562
	-----	-----
Net cash provided by investing activities.....	708,961	152,776
	-----	-----

FINANCING ACTIVITIES

Net increase/(decrease) in long-term debt.....	(247,450)	794,143
Distribution of capital to NationsBank Texas.....	(498,750)	(981,915)
Cash dividends paid to NationsBank Texas.....	(17,842)	(4,601)
	-----	-----
Net cash used by financing activities.....	(764,042)	(192,373)
	-----	-----
Net decrease in cash and cash equivalents.....	(127)	(62,771)
Cash and cash equivalents at beginning of period.....	4,870	66,933
	-----	-----
Cash and cash equivalents at end of period.....	\$ 4,743	\$ 4,162
	=====	=====
Supplemental cash flow disclosure		
Cash paid for interest.....	\$ 212,452	\$ 114,455
	=====	=====
Cash paid for income taxes.....	2,111	-

</TABLE>

See accompanying notes to financial statements.

MAIN PLACE REAL ESTATE INVESTMENT TRUST
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	Common Shares	Stock Amount	Additional Paid-In Capital	Retained Earnings	Other	Total Shareholder's Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE ON DECEMBER 31, 1994.....	100	\$ -	\$ 270,566	\$ 3,549	\$ -	\$ 274,115
Net income.....				13,551		13,551
Cash dividends paid to NationsBank Texas.....				(4,601)		(4,601)
Net assets contributed by NationsBank Texas.....			3,362,985			3,362,985
Distribution of capital to NationsBank Texas.....			(981,915)			(981,915)
	-----	-----	-----	-----	-----	-----
BALANCE ON SEPTEMBER 30, 1995.....	100	\$ -	2,651,636	\$ 12,499	\$ -	\$ 2,664,135
	=====	=====	=====	=====	=====	=====
BALANCE ON DECEMBER 31, 1995.....	100	\$ -	299,648	\$ 7,136	\$ -	\$ 306,784
Net income.....				32,950		32,950
Cash dividends paid to NationsBank Texas.....				(17,842)		(17,842)
Net assets contributed by NationsBank South.....			421,934			421,934
Net assets contributed by NationsBank Texas.....			502,486			502,486
Distribution of capital to NationsBank Texas.....			(505,553)			(505,553)
Net change in unrealized gains/(losses) on securities available for sale.....					(845)	(845)
	-----	-----	-----	-----	-----	-----
BALANCE ON SEPTEMBER 30, 1996.....	100	\$ -	718,515	\$ 22,244	\$ (845)	\$ 739,914
	=====	=====	=====	=====	=====	=====

</TABLE>

Main Place Real Estate Investment Trust
Notes to Financial Statements

Note 1 - Accounting Policies

Basis of Presentation

Main Place Real Estate Investment Trust (MPREIT) is an indirect, wholly owned subsidiary of NationsBank Corporation (the Corporation) and is the successor by merger of Main Place Funding Corporation (MPFC) on November 1, 1996. MPREIT was established on October 24, 1996 as a Maryland real estate investment trust to consolidate the acquisition, holding and management of certain closed-end residential mortgage loans owned by the Corporation and certain of its affiliates. As a result of the merger of MPFC into MPREIT on November 1, 1996, MPREIT will issue and sell mortgage-backed bonds and subordinated indebtedness and acquire, own, hold and pledge the related mortgage notes and other assets serving as collateral in connection therewith. Additional information regarding the merger is set forth in Part II., Item 5.

The accompanying financial statements reflect the results of operations and financial condition of MPFC (now MPREIT) prior to the merger. References herein to MPREIT refer to MPFC prior to November 1, 1996 and to the combined entity on and after November 1, 1996.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles and reflect all normal recurring adjustments which are, in the opinion of management, necessary for the fair presentation of the results for the interim periods presented. Certain prior period amounts have been reclassified to conform to current period classifications.

Accounting policies followed in the presentation of interim financial results are presented on pages F-7 and F-8 of the Annual Report on Form 10-K for the year ended December 31, 1995, as updated by the following.

Securities

Securities are classified based on management's intention on the date of purchase. Securities which management has the intent and ability to hold to maturity are classified as held for investment and reported at amortized cost. All other securities are classified as available for sale and carried at fair value with net unrealized gains and losses included in shareholder's equity on an after-tax basis.

Interest and dividends on securities, including amortization of premiums and accretion of discounts, are included in interest income. Realized gains and losses from the sales of securities are determined using the specific identification method.

Note 2 - Mortgage Loans

Mortgage loans were composed of (dollars in thousands):

	September 30 1996	December 31 1995
Fixed-Rate loans.....	\$1,240,101	\$1,292,457
Adjustable-rate loans.....	3,441,675	3,231,287
	-----	-----
Total Loans.....	\$4,681,776	\$4,523,744

Transactions in the allowance for credit losses were (dollars in thousands):

	1996	1995
Balance on January 1	\$17,805	\$10,993
Residential mortgage loans charged-off.....	--	(104)
Allowance applicable to contributed loans.....	1,344	6,756
	-----	-----
Balance on September 30.....	\$19,149	\$17,645
	=====	=====

MPREIT had \$3.5 million of nonperforming loans on September 30, 1996 and \$.2 million on December 31, 1995.

Other real estate owned amounted to \$.5 million on September 30, 1996 compared to \$.8 million on December 31, 1995.

Note 3 - Affiliate Transactions

MPREIT has entered into agreements with NationsBanc Mortgage Corporation, a subsidiary of NationsBank of Texas, N.A. (NationsBank Texas), and with NationsBank, N.A. for the servicing and administration of its mortgage portfolio. Servicing fees paid to NationsBanc Mortgage Corporation under the agreement in existence with MPREIT prior to November 1, 1996 approximated \$9.7 million and \$3.9 million for the nine months ended September 30, 1996 and 1995, respectively.

MPREIT maintains its cash and cash equivalent accounts primarily with NationsBank Texas.

During the first quarter of 1996, NationsBank Texas contributed an additional \$502 million of mortgage loans including accrued interest and net of an allowance for credit losses of \$1.3 million, to MPREIT.

During the second quarter of 1996, NationsBank, N.A. (South) (NationsBank South) contributed approximately \$79 million of Federal National Mortgage Association (FNMA) certificates to MPREIT.

During the third quarter of 1996, NationsBank South contributed additional collateral of approximately \$342 million of real estate mortgage loans to MPREIT.

On October 31, 1996, NationsBank South contributed additional collateral of \$450 million of real estate mortgage loans to MPREIT.

During October 1996, MPREIT paid a cash dividend of \$35 million to NationsBank South and returned \$45 million of low quality assets to NationBank South.

On November 1, 1996, NationsBank, N.A., NationsBank Texas and NationsBank South contributed an aggregate of approximately \$10.9 billion of mortgage loans to MPREIT.

MPREIT has entered into an agreement with NationsBank, N.A. under which MPREIT will pay an annual fee of \$500,000 to NationsBank, N.A. for advisory services.

Note 4 - Long-Term Debt

On July 18, 1995, MPREIT issued \$1.5 billion of Mortgage-Backed Bonds, Series 1995-1, due 1998 (Series 1995-1 Bonds), bearing interest at the one-month London interbank offered rate (LIBOR) plus 21 basis points with a maximum interest rate of 12 percent. On October 31, 1995, MPREIT issued \$1.5 billion of Mortgage-Backed Bonds, Series 1995-2, due 2000 (Series 1995-2 Bonds), bearing interest at the three-month LIBOR plus 17 basis points. On September 30, 1996, all of the Series 1995-1 and 1995-2 Bonds were outstanding with interest rates of 5.710 percent and 5.795 percent, respectively, based on the rates in effect on September 30, 1996. On September 30, 1996, the Series 1995-1 Bonds were collateralized by mortgage loans with a book value of approximately \$2.3 billion

and the Series 1995-2 Bonds were collateralized by mortgage loans and FNMA certificates with an aggregate book value of approximately \$2.5 billion. On October 5, 1996, the discounted value of the eligible collateral for the Series 1995-1 and 1995-2 Bonds, as computed by the Trustee, was approximately \$1.7 billion and \$1.6 billion, respectively, and exceeded the amount required by the terms of the related indentures by approximately \$194 million and \$23 million, respectively.

On September 30, 1996, \$629 million was owed on a subordinated note from NationsBank South dated May 20, 1996 (the May 1996 note). In addition, \$443 million was owed under a subordinated note from NationsBank Texas dated November 30, 1995 (the November 1995 note). MPREIT may repay amounts, from time to time, owed under the May 1996 note and the November 1995 note from funds which are not subject to the lien of any indenture relating to any senior debt.

Interest expense on the Series 1995-1 and 1995-2 Bonds for the three and nine

months ended September 30, 1996 was \$44.4 million and \$132.4 million, respectively. Interest expense on the Series 1995-1 Bonds for the three months ended September 30, 1995 was \$19.5 million. Interest expense on the subordinated notes for the three and nine months ended September 30, 1996 was \$20.1 million and \$65.4 million, respectively, and \$18.8 million and \$70.8 million, respectively, for the same periods in 1995.

As of November 14, 1996, MPREIT had \$1 billion of capacity available to issue additional mortgage-backed bonds under its existing registration statement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Net income for the three and nine months ended September 30, 1996 was \$11.9 million and \$33.0 million, respectively, compared to \$9.7 million and \$13.6 million, respectively, for the same periods in 1995. Net income reflects the impact of several factors such as the levels and the average interest rates of the mortgage loan portfolio and the issuance of the Series 1995-1 and 1995-2 Bonds and the subordinated notes, including the effects of securities market conditions and the volatility of interest rates. The results of operations for any particular interim period may not be indicative of results to be expected for a full year.

Interest income increased \$30.9 million and \$144.7 million in the three and nine months ended September 30, 1996, respectively, compared to the same periods in 1995 due primarily to an increase in year-to-date average loans outstanding of \$2.5 billion. Interest expense increased \$26.2 million and \$107.5 million in the three and nine months ended September 30, 1996, respectively, compared to the same periods in 1995 due primarily to a \$2.6-billion increase in year-to-date average outstanding mortgage-backed bonds. Other operating expenses increased \$4.8 million to \$9.8 million in the first nine months of 1996 compared to the same period in 1995 due primarily to higher mortgage servicing costs associated with the increase in year-to-date average loans outstanding as discussed above.

The average yield on the mortgage loans for the three and nine months ended September 30, 1996 was 7.61 percent and 7.48 percent, respectively, compared to 7.13 percent and 7.22 percent in the same periods in 1995. Changes in such average yield are primarily related to the mix between fixed- and adjustable-rate loans, the repricing terms of adjustable rate loans, the impact of the general level of interest rates, the levels of prepayments of mortgage loans and normal scheduled amortization of the portfolio as a whole.

The average interest rates on the outstanding mortgage-backed bonds for the three months ended September 30, 1996 and 1995 were 5.93 percent and 6.32 percent, respectively, and were 5.88 percent for the first nine months of 1996. The average interest rates on the outstanding subordinated notes for the three and nine months ended September 30, 1996 were 6.01 percent and 6.46 percent, respectively, compared to 7.99 percent and 8.01 percent for the respective periods in 1995.

Nonperforming loans were \$3.5 million and \$.2 million on September 30, 1996 and December 31, 1995, respectively. The increase is due primarily to the maturation of the mortgage loan portfolio.

Part II. OTHER INFORMATION

Item 5. Other Information

The following information is disclosed in lieu of filing a Current Report on Form 8-K:

Change in Control of Registrant

MPREIT, a Maryland real estate investment trust, was established on October 24, 1996 as the Corporation's principal affiliate responsible for consolidating the acquisition, holding and management of certain closed-end residential mortgage loans owned by the Corporation and certain of its affiliates. Through a series of transactions effective November 1, 1996, MPFC was merged (the "Merger") with and into MPREIT. MPREIT is a wholly owned subsidiary of Main Place Holdings

Corporation (MP Holdings). MP Holdings is a Delaware corporation and a wholly owned subsidiary of NationsBank, N.A., which is an indirect wholly owned subsidiary of the Corporation. In order to effect the Merger, NationsBank South sold all of the outstanding stock of MPFC to NationsBank, N.A. for aggregate cash of approximately \$1.1 billion, then NationsBank, N.A. contributed all of such shares to MP Holdings in exchange for 25 shares of MP Holdings common stock. Thereafter, MP Holdings merged MPFC into MPREIT with MPREIT as the survivor.

On November 1, 1996, NationsBank, N.A., NationsBank Texas, and NationsBank South, all wholly owned subsidiaries of the Corporation, contributed an aggregate of approximately \$10.9 billion of mortgage loans to MPREIT. On November 13, 1996, MPREIT had assets of approximately \$16.1 billion.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

- 2 (a) Stock Purchase Agreement, dated as of November 1, 1996, by and between NationsBank, N.A. and NationsBank, N.A. (South).
- 2 (b) Contribution Agreement, dated as of November 1, 1996, by and between NationsBank, N.A. and Main Place Holdings Corporation ("MP Holdings").
- 2 (c) Agreement of Merger, dated November 1, 1996, between MP Holdings, Main Place Funding Corporation ("MPFC") and Main Place Real Estate Investment Trust ("MPREIT").
- 2 (d) Stock Purchase Agreement, dated as of November 1, 1996, by and between NationsBank, N.A. and NationsBank, N.A. (South).
- 2 (e) Stock Purchase Agreement, dated as of November 1, 1996, by and between NationsBank, N.A. and NationsBank of Texas, N.A.
- 2 (f) Contribution Agreement, dated as of November 1, 1996, by and between NationsBank, N.A. and MP Holdings.
- 3 (a) Declaration of Trust of MPREIT.
- 3 (b) Bylaws of MPREIT.
- 4 (a) First Supplemental Indenture dated as of November 1, 1996 to Indenture dated as of July 18, 1995 between MPFC and First Trust National Association, as Trustee.
- 4 (b) First Supplemental Indenture dated as of November 1, 1996 to Indenture dated as of October 31, 1995 between MPFC and First Trust National Association, as Trustee.
- 10 (a) Contribution Agreement dated as of September 20, 1996 between MPFC and NationsBank, N.A. (South).
- 10 (b) Mortgage Loan Contribution Agreement, dated October 30, 1996, by and between NationsBank of Texas, N.A. and MPREIT. *
- 10 (c) Mortgage Loan Assignment, dated as of November 1, 1996, among MPREIT, NationsBank of Texas, N.A. and NationsBanc Mortgage Corporation.
- 10 (d) Mortgage Loan Contribution Agreement, dated October 30, 1996, by and between NationsBank, N.A. (South) and MPREIT. *
- 10 (e) Mortgage Loan Assignment, dated as of November 1, 1996, among MPREIT, NationsBank, N.A. (South) and NationsBanc Mortgage Corporation.
- 10 (f) Mortgage Loan Contribution Agreement, dated October 30, 1996, by and between NationsBank, N.A. and MPREIT. *
- 10 (g) Mortgage Loan Assignment, dated as of November 1, 1996, among MPREIT, NationsBank, N.A. and NationsBanc Mortgage Corporation.

- 10 (h) Assignment, as of November 1, 1996, by MPFC to MPREIT of Amended and Restated Credit Agreement dated as of October 31, 1995.
- 10 (i) Consent of NationsBank of Texas, N.A., dated November 1, 1996, to assignment of Amended and Restated Credit Agreement dated as of October 31, 1995.
- 10 (j) Assignment as of November 1, 1996 by MPFC to MPREIT of Credit Agreement dated as of October 31, 1995.
- 10 (k) Consent of NationsBank of Texas, N.A., dated November 1, 1996, to assignment of Credit Agreement dated as of October 31, 1995.
- 10 (l) Servicing Agreement, dated November 1, 1996, between MPREIT and NationsBanc Mortgage Corporation.
- 10 (m) Servicing Agreement, dated November 1, 1996, between MPREIT and NationsBank, N.A.
- 10 (n) Advisory Agreement, dated November 1, 1996, between MPREIT and NationsBank, N.A.
- 10 (o) Contribution Agreement dated as of October 31, 1996 between MPFC and NationsBank, N.A. (South).
- 27 Financial Data Schedule.

* The registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Commission upon request.

- (b) Reports on Form 8-K
None

SIGNATURE

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, thereunto duly authorized.

Main Place Real Estate Investment Trust

Date: November 14, 1996

/s/ Karin Hirtler-Garvey

Karin Hirtler-Garvey
Senior Vice President--Accounting
(Principal Financial and Duly
Authorized Officer)

Main Place Real Estate Investment Trust
Form 10-Q
Index to Exhibits

Exhibit Description

- 2 (a) Stock Purchase Agreement, dated as of November 1, 1996, by and between NationsBank, N.A. and NationsBank, N.A. (South).
- 2 (b) Contribution Agreement, dated as of November 1, 1996, by and between NationsBank, N.A. and Main Place Holdings Corporation ("MP Holdings").
- 2 (c) Agreement of Merger, dated November 1, 1996, between MP Holdings, Main

Place Funding Corporation ("MPFC") and Main Place Real Estate Investment Trust ("MPREIT").

- 2 (d) Stock Purchase Agreement, dated as of November 1, 1996, by and between NationsBank, N.A. and NationsBank, N.A. (South).
- 2 (e) Stock Purchase Agreement, dated as of November 1, 1996, by and between NationsBank, N.A. and NationsBank of Texas, N.A.
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- 3 (b) Bylaws of MPREIT.
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- 4 (b) First Supplemental Indenture dated as of November 1, 1996 to Indenture dated as of October 31, 1995 between MPFC and First Trust National Association, as Trustee.
- 10 (a) Contribution Agreement dated as of September 20, 1996 between MPFC and NationsBank, N.A. (South).
- 10 (b) Mortgage Loan Contribution Agreement, dated October 30, 1996, by and between NationsBank of Texas, N.A. and MPREIT. *
- 10 (c) Mortgage Loan Assignment, dated as of November 1, 1996, among MPREIT, NationsBank of Texas, N.A. and NationsBanc Mortgage Corporation.
- 10 (d) Mortgage Loan Contribution Agreement, dated October 30, 1996, by and between NationsBank, N.A. (South) and MPREIT. *
- 10 (e) Mortgage Loan Assignment, dated as of November 1, 1996, among MPREIT, NationsBank, N.A. (South) and NationsBanc Mortgage Corporation.
- 10 (f) Mortgage Loan Contribution Agreement, dated October 30, 1996, by and between NationsBank, N.A. and MPREIT. *
- 10 (g) Mortgage Loan Assignment, dated as of November 1, 1996, among MPREIT, NationsBank, N.A. and NationsBanc Mortgage Corporation.
- 10 (h) Assignment, as of November 1, 1996, by MPFC to MPREIT of Amended and Restated Credit Agreement dated as of October 31, 1995.
- 10 (i) Consent of NationsBank of Texas, N.A., dated November 1, 1996, to assignment of Amended and Restated Credit Agreement dated as of October 31, 1995.
- 10 (j) Assignment as of November 1, 1996 by MPFC to MPREIT of Credit Agreement dated as of October 31, 1995.
- 10 (k) Consent of NationsBank of Texas, N.A., dated November 1, 1996, to assignment of Credit Agreement dated as of October 31, 1995.
- 10 (l) Servicing Agreement, dated November 1, 1996, between MPREIT and NationsBanc Mortgage Corporation.
- 10 (m) Servicing Agreement, dated November 1, 1996, between MPREIT and NationsBank, N.A.
- 10 (n) Advisory Agreement, dated November 1, 1996, between MPREIT and NationsBank, N.A.
- 10 (o) Contribution Agreement dated as of October 31, 1996 between MPFC and NationsBank, N.A. (South).

27 Financial Data Schedule.

* The registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Commission upon request.

Exhibit 2(a)

STOCK PURCHASE AGREEMENT

AGREEMENT, dated as of November 1, 1996, is entered into by and between NATIONSBANK, N.A., a National banking association ("Buyer") and NATIONSBANK, N.A. (SOUTH), a national banking association ("Seller").

WHEREAS, Seller is the record and beneficial owner of 27,895 Class A shares of beneficial interest, \$1.00 par value per share, of Main Place Real Estate Investment Trust (the "Trust"), a Maryland real estate investment trust (the "Class A Shares");

WHEREAS, Seller desires to sell, and Buyer desires to purchase, the Class A Shares on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Purchase and Sale of Shares.

Seller hereby sells, assigns and transfers to Buyer, and Buyer hereby purchases from Seller, the Class A Shares at a purchase price of \$108,967.22 per share, for an aggregate consideration of \$3,039,640,652.53. Concurrently with the execution of this agreement, Seller is delivering to Buyer a share certificate representing the Class A Shares, duly endorsed in blank or accompanied by proper instruments of transfer duly signed by Seller in blank and accompanied by necessary transfer tax stamps or funds therefor, against payment of such consideration by delivery to Seller of \$3,039,640,652.53.

2. Representations and Warranties of Seller. As a material inducement to Buyer to enter into and perform its obligations under this Agreement, Seller represents and warrants to Buyer as follows:

(a) Seller is the beneficial and record owner of the Class A Shares and has valid and marketable title to the Class A Shares, free and clear of any lien, pledge and encumbrance or any claim of any third party.

(b) Upon delivery of the share certificate representing the Class A Shares in accordance with the terms hereof, valid and marketable title to the Class A Shares will pass to Buyer free and clear of any lien, pledge and encumbrance or any claim of any third party.

(c) Seller has full legal right, power and authority, and all approvals required by law, to enter into this Agreement, to sell, assign, transfer and deliver the Class A Shares in the manner provided in this Agreement and to perform all of its obligations hereunder. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding

obligation of Seller enforceable in accordance with its terms.

(d) Seller has had full access to any and all information relating to Buyer, and has had the opportunity to learn of all the developments in Buyer, its business and its affairs, and has made such investigation of and has had access to any and all information relating to the Buyer as Seller has deemed necessary or appropriate for entering into this Agreement and carrying out the transactions contemplated hereby.

3. Representations and Warranties of the Buyer. As a material inducement to Seller to enter into and perform its obligations under this Agreement, Buyer represents and warrants to Seller as follows:

(a) Buyer has full legal right, power and authority, and all approvals required by law, to enter into this Agreement and to perform all of its obligations hereunder. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action.

(b) This Agreement constitutes a legal, valid and binding obligation of Buyer enforceable in accordance with its terms.

(c) Buyer is acquiring the Class A Shares of the Trust for its own account, for investment and not with a view to the sale or distribution thereof or with any present intention of selling or distributing any thereof, except in conformity with the Securities Act. Buyer understands and acknowledges that the Class A Shares of the Trust are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the SEC to the effect that a proposed transfer of the Class A Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for or reasonably acceptable to the Trust to the effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws.

4. Share Legend. Buyer understands that all Class A Shares of the Trust sold in connection with this Agreement will bear the following legend:

"The Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and are "restricted securities" as that term is defined in Rule 144A under the Act. The Shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Trust."

5. Miscellaneous.

(c) This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

(d) The representations and warranties contained herein shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and remain in full force and effect, notwithstanding any investigation at any time made by or on behalf of the parties.

(e) All questions concerning the construction, validity and interpretation of this Agreement and the performance of obligations hereunder will be governed by the internal laws, not the laws of conflicts, of the State of New York.

(f) This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof and cannot be changed or terminated orally.

(g) This Agreement may be signed in any number of counterparts, each of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Buyer and Seller have duly executed this Agreement as of the date first above written.

NATIONSBANK, N.A.

By: /s/ Gary S. Williams.

Name: Gary S. Williams
Title: Senior Vice President

NATIONSBANK, N.A. (SOUTH)

By: /s/ Gary S. Williams.

Name: Gary S. Williams
Title: Senior Vice President

CONTRIBUTION AGREEMENT

This Contribution Agreement, dated as of November 1, 1996, is by and between NATIONSBANK, N.A., a national banking association ("NationsBank, N.A."), and MAIN PLACE HOLDINGS CORPORATION, a Delaware corporation ("Main Place Holdings").

RECITALS

NationsBank, N.A. owns all of the issued and outstanding Class A Shares of Beneficial Interest of Main Place Real Estate Investment Trust (the "Class A Shares"), a Maryland business trust (the "Trust"), and Main Place Holdings.

NationsBank, N.A. desires to contribute, and Main Place Holdings desires to accept from NationsBank, N.A. all of the issued and outstanding Class A Shares of the Trust in consideration for the issuance by Main Place Holdings to NationsBank, N.A. of twenty-five (25) shares of common stock, no par value per share (the "Shares"), of Main Place Holdings, subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

CONTRIBUTION OF SECURITIES

1.1 Contribution of the Trust Shares. NationsBank, N.A. hereby agrees to transfer, assign, convey and deliver to Main Place Holdings, and Main Place Holdings hereby agrees to accept from NationsBank, N.A., on the date hereof, all right, title and interest of NationsBank, N.A., legal or equitable, in and to all of the issued and outstanding Class A Shares of the Trust (the "Trust Shares") owned by NationsBank, N.A.

1.2 Consideration to NationsBank, N.A.. On the date hereof, Main Place Holdings shall deliver the Shares to NationsBank, N.A., in consideration of the contribution, transfer, assignment, conveyance and delivery of the Trust Shares.

CLOSING

2.1 Closing. The closing of the transactions contemplated herein (the "Closing") shall be held at 10:00 a.m. on November 1, 1996, unless

otherwise agreed by the parties hereto, at the offices of Stroock & Stroock & Lavan, Seven Hanover Square, New York, New York.

2.2 Deliveries at the Closing. At the Closing:

(a) NationsBank, N.A. shall deliver to Main Place Holdings the Trust Shares, together with stock powers or other appropriate powers or evidence of transfer in favor of Main Place Holdings or in blank.

(b) Main Place Holdings shall deliver to NationsBank, N.A. the Shares as provided for in Section 1.2.

(c) Main Place Holdings and NationsBank, N.A. shall deliver the certificates and other matters described in Articles VI and VII herein.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF NATIONSBANK, N.A.

NationsBank, N.A. hereby represents and warrants to Main Place Holdings as follows:

3.1 Organization. The Trust is duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to conduct its business as it is presently being conducted and to own, lease and operate its properties and assets.

3.2 Subsidiaries. The Trust has no subsidiaries.

3.3 Organizational Documents, Etc. True, complete and accurate copies of the declaration of trust and bylaws, each of the foregoing as amended to the date hereof, and the minute books and all stock books and stock transfer records of the Trust, each current to the date hereof, have been furnished to Main Place Holdings, and there will be no amendments or changes to such declaration of trust or bylaws prior to the Closing.

3.4 Capital Stock, Etc. All of the issued and outstanding Class A Shares of the Trust, which constitute all of the issued and outstanding capital stock of the Trust, is held by NationsBank, N.A. All the shares of Trust's capital stock are, and from the date hereof through the Closing, will be, validly issued and outstanding, fully paid and non-assessable. There are no outstanding options, warrants, rights (including preemptive rights), subscriptions, calls, commitments, conversion rights, rights of exchange, plans or other agreements of any character providing for the purchase, issuance or sale of any Class A Shares of the capital stock of the Trust; however, as disclosed to Main Place Holdings, the Trust will issue a series of non-voting Class B Shares of Beneficial Interest (the "Class B Shares").

3.5 No Conflict or Violation. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in (i) a violation or breach of, conflict with or default under any term or provision of any contract, agreement, indebtedness, lease, encumbrance, commitment, license, franchise, permit, authorization or concession to which either of the Trust or NationsBank, N.A. is a party or by which either of the Trust or NationsBank, N.A. is bound or affected or (ii) a violation by the Trust or by NationsBank, N.A. of any statute, rule, regulation, ordinance, code, action or award applicable to the Trust or to NationsBank, N.A., as the case may be.

3.6 Restrictive Documents. Neither NationsBank, N.A. or the Trust is subject to, or a party to, any mortgage, lien, lease, license, permit, agreement, contract or instrument, or to any law, rule, ordinance, regulation, action or any other restriction of any kind or character, which would have a material adverse effect on the execution, delivery and performance of this Agreement by the Trust or NationsBank, N.A. and consummation by the Trust of the transactions contemplated hereby.

-2-

3.7 Consents and Approvals; Licenses. No consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, any governmental entity, or any other person or entity, is required to be made or obtained by the Trust or by NationsBank, N.A. in connection with the execution, delivery and performance by the Trust and by NationsBank, N.A., as the case may be, of this Agreement and the consummation by the Trust and by NationsBank, N.A., as the case may be, of the transactions contemplated hereby.

3.8 Compliance with Law. The Trust has complied with, and has not violated, any judgments, rulings, orders, writs, injunctions, awards, decrees, statutes, laws, ordinances, codes, rules or regulations of any governmental entity applicable to it or to its assets, properties, business or operations. No consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, any governmental entity which has not been obtained is material to or necessary for the conduct of the business of the Trust. No violations are or have been recorded in respect of any consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, any governmental entity, and no proceeding is pending, or to the knowledge of the Trust threatened, to revoke or limit any consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, any governmental entity.

3.9 Litigation. There is no litigation, arbitration, claim, governmental or other proceeding or investigation (domestic or foreign, formal or informal) pending or, to the knowledge of NationsBank, N.A. threatened or in prospect (or any basis therefor known to NationsBank, N.A.), with respect to the

Trust or any of its operations, business, properties or assets except as, individually or in the aggregate, do not now have and are not reasonably expected in the future to have a material adverse effect upon the financial condition, results of operations, business, prospects, properties or assets of the Trust.

3.10 Authorization. NationsBank, N.A. has the legal right, power and authority to execute, deliver and perform its obligations under this Agreement and each other agreement, document or instrument contemplated hereby to which it is a party. This Agreement has been duly executed and delivered by NationsBank, N.A. and is a legal, valid and binding obligation of NationsBank, N.A., enforceable against NationsBank, N.A. in accordance with its terms, except as limited by the effect of bankruptcy, insolvency, moratorium, fraudulent conveyance and similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto.

3.11 No Other Agreements to Sell Securities. NationsBank, N.A. has no legal obligation, absolute or contingent, to any person or entity other than

-3-

Main Place Holdings to transfer, assign, convey and deliver the Trust Shares.

3.12 Investment Representations. NationsBank, N.A. is acquiring the Shares for its own account, for investment and not with a view to the sale or distribution thereof or with any present intention of selling or distributing any thereof, except in conformity with the Securities Act of 1933, as amended (the "Securities Act"). NationsBank, N.A. understands and acknowledges that the Shares are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the Securities and Exchange Commission to the effect that a proposed transfer of the Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for or reasonably acceptable to Main Place Holdings to the effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF MAIN PLACE HOLDINGS

Main Place Holdings hereby represents and warrants to NationsBank, N.A. as follows:

4.1 Organization of Main Place Holdings. Main Place Holdings is duly organized, validly existing and in good standing under the laws of the State of Delaware, has full corporate power and authority to conduct its business as it is presently being conducted and to own, lease and operate its properties and assets. Main Place Holdings is duly qualified to do business as a foreign

corporation and is in good standing in each jurisdiction where the ownership of property or nature of its business requires such qualification and where failure to be so qualified would have a material adverse effect on Main Place. Main Place Holdings was incorporated on September 23, 1996 and has done no business and incurred no obligations except with respect to the transactions contemplated hereby.

4.2 Authorization. Main Place Holdings has all necessary corporate power and authority and has taken all corporate action necessary to enter into this Agreement to consummate the transactions contemplated hereby and to perform its obligations hereunder. This Agreement has been duly executed and delivered by Main Place Holdings and is a legal, valid and binding obligation of Main Place Holdings enforceable against Main Place Holdings in accordance with its terms, except as limited by the effect of bankruptcy, insolvency, moratorium,

-4-

fraudulent conveyance and similar laws relating to or affecting creditors rights generally and court decisions with respect thereto.

4.3 No Conflict or Violation. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in (i) a violation of or a conflict with any provision of the certificate of incorporation or bylaws of Main Place Holdings, (ii) a breach of, or a default under, any term or provision of any contract, agreement, indebtedness, lease, encumbrance, commitment, license, franchise, permit, authorization or concession to which Main Place Holdings is a party or by which Main Place Holdings is bound or affected which breach or default would have a material adverse effect on the business or financial condition of Main Place Holdings or its ability to consummate the transactions contemplated hereby or (iii) a violation by Main Place Holdings of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree, action or award applicable to Main Place Holdings, which violation would have a material adverse effect on the business or financial condition of Main Place Holdings or its ability to consummate the transactions contemplated hereby.

4.4 Consents and Approvals. No consent, approval or authorization of, or declaration, filing or registration with, any governmental entity, or any other person or entity is required to be made or obtained by Main Place Holdings in connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

4.5 Issuance of Main Place Holdings Common Stock. The authorized capital stock of Main Place Holdings consists of 200 shares of common stock, no par value per share. As of the date hereof, 50 shares of Main Place Holdings Common Stock are outstanding. Upon the issuance of the Shares as provided herein, the Main Place Holdings Common Stock will be duly and validly issued, fully paid and non-assessable. There are no outstanding options, warrants, rights, calls, commitments, conversion rights, rights of exchange, plans or other agreements of any character providing for the purchase, issuance or sale

of any shares of the capital stock of Main Place Holdings.

4.6 Investment Representations. Main Place Holdings is acquiring the Trust Shares for its own account for investment and not with a view to the sale or distribution thereof or with any present intention of selling or distributing any thereof. Main Place Holdings understands and acknowledges that the Trust Shares are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the Securities and Exchange Commission to the effect that a proposed transfer of the Trust

-5-

Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for the Trust to the effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws.

ARTICLE V
COVENANTS OF NATIONSBANK, N.A. AND MAIN PLACE HOLDINGS

NationsBank, N.A., on the one hand, and Main Place Holdings, on the other hand, covenant with each other as follows:

5.1 Maintenance of Business Prior to Closing. During the period from the date hereof through the Closing Date, NationsBank, N.A. shall cause the Trust to continue to carry on its business in the ordinary course and in accordance with past practice and not to take any action inconsistent therewith or with the consummation of the Closing.

5.2 Share Legend. The certificates representing the Shares shall bear the following legend:

"The Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and are "restricted securities" as that term is defined in Rule 144A under the Act. The Shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Trust.

ARTICLE VI
CONDITIONS TO NATIONSBANK N.A.'S OBLIGATIONS

The obligations of NationsBank, N.A. to consummate the transactions provided for hereby are subject to the satisfaction, on or prior to the Closing

Date, of each of the following conditions:

6.1 Representations, Warranties and Covenants. All representations and warranties of Main Place Holdings contained in or made pursuant to this Agreement shall be true and correct in all material respects at and as of the Closing Date (and such representations and warranties shall be deemed to be repeated by Main Place Holdings at and as of the Closing Date), except as and to

-6-

the extent that the facts and conditions upon which such representations and warranties are based are expressly required or permitted to be changed by the terms hereof, and Main Place Holdings shall have performed in all material respects all agreements and covenants required hereby to be performed by it prior to or on the Closing Date.

6.2 Consents. All consents, approvals and waivers from third parties, governmental entities and other parties necessary to permit Main Place Holdings to transfer the Trust Shares to NationsBank, N.A. as contemplated hereby shall have been obtained.

6.3 No Governmental Proceedings or Litigation. No action by any governmental entity shall have been instituted or threatened which questions the validity or legality of the transactions contemplated hereby and which could reasonably be expected materially to damage NationsBank, N.A. if the transactions contemplated hereunder are consummated.

6.4 Corporate Documents. NationsBank, N.A. shall have received from Main Place Holdings resolutions adopted by the board of directors of Main Place Holdings approving this Agreement and the transactions contemplated hereby certified by Main Place Holdings' corporate secretary or assistant secretary.

6.5 Certificates. Main Place Holdings shall have furnished NationsBank, N.A. with such certificates of Main Place Holdings officers and others to evidence compliance with the conditions set forth in this Article VI as may be reasonably requested by NationsBank, N.A.

-7-

ARTICLE VII CONDITIONS TO MAIN PLACE HOLDINGS' OBLIGATIONS

The obligations of Main Place Holdings to consummate the transactions provided for hereby are subject, in the discretion of Main Place Holdings, to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

7.1 Representations, Warranties and Covenants. All representations and warranties of NationsBank, N.A. contained in or made pursuant to this Agreement shall be true and correct in all material respects at and as of the

Closing Date (and such representations and warranties shall be deemed to be repeated by NationsBank, N.A. at and as of the Closing Date), except as and to the extent that the facts and conditions upon which such representations and warranties are based are expressly required or permitted to be changed by the terms hereof, and NationsBank, N.A. shall have performed in all material respects all agreements and covenants required hereby to be performed by them prior to or on the date of the Closing.

7.2 Consents. All consents, approvals and waivers from third parties, governmental entities and other parties necessary to permit NationsBank, N.A. to transfer, and Main Place Holdings to accept the Trust Shares as contemplated hereby shall have been obtained.

7.3 No Governmental Proceedings or Litigation. No action by any governmental entity shall have been instituted or threatened which questions the validity or legality of the transactions contemplated hereby and which could reasonably be expected to affect materially the right or ability of Main Place Holdings to own the Trust Shares after the Closing or materially to damage Main Place Holdings or the Trust if the transactions contemplated hereunder are consummated.

7.4 Certificates. NationsBank, N.A. shall have furnished Main Place Holdings with such certificates to evidence compliance with the conditions set forth in this Article VII as may be reasonably requested by Main Place Holdings.

-8-

MISCELLANEOUS

8.1 Termination. If any condition precedent to NationsBank, N.A.'s obligations hereunder is not satisfied and such condition is not waived by NationsBank, N.A. on or prior to the date of the Closing, or if any condition precedent to Main Place Holdings' obligations hereunder is not satisfied and such condition is not waived by Main Place Holdings on or prior to the date of the Closing, NationsBank, N.A. or Main Place Holdings, as the case may be, may terminate this Agreement at their or its option by notice to the other party. This Agreement may be terminated by the mutual agreement of the parties hereto.

8.2 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by any party; except that Main Place Holdings may assign all its rights and obligations hereunder to a subsidiary or subsidiaries of Main Place Holdings or to a successor to the business of Main Place Holdings; provided, however, that such assignment shall not release Main Place Holdings with respect to any such obligations or liabilities. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No other person shall have any right, benefit or obligation hereunder.

8.3 Notices. Unless otherwise provided herein, any notice, request,

instruction or other document to be given hereunder by any party to any other party shall be in writing and shall be deemed to have been given (a) if mailed, at the time when mailed in any general or branch office of the United States Postal Service, enclosed in a registered or certified postage-paid envelope, (b) if sent by facsimile transmission, when so sent and receipt acknowledged by an appropriate telephone or facsimile receipt or (c) if sent by other means, when actually received by the party to which such notice has been directed, in each case at the respective addresses or numbers set forth below or such other address or number as such party may have fixed by notice:

If to NationsBank, N.A. addressed to:

NationsBank, N.A.
c/o NationsBank Corporation, Legal Department
100 North Tryon Street, 20th Floor
Charlotte, North Carolina 28255
Attention: George Walls, Esq.
Fax: (704) 386-6453

If to Main Place Holdings addressed to:

Main Place Holdings Corporation
100 North Tryon Street, 23rd Floor
Charlotte, North Carolina 28255
Attention: John E. Mack
Fax: (704) 386-0270

-9-

8.4 Governing Law. This Agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of New York (without reference to the choice of law provisions of New York law) except with respect to matters of law concerning the internal corporate affairs of Main Place Holdings, and as to those matters the law of the State of Delaware shall govern.

8.5 Entire Agreement; Modifications and Waivers. This Agreement, together with all exhibits and schedules hereto, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party or parties to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or

privilege hereunder, preclude any other or further exercise thereof or the exercise of any other rights, power or privilege hereunder. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies which any party may otherwise have at law or in equity.

8.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.7 Invalidity. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument and, to the extent enforceable, such provisions shall be replaced by substitute provisions similar thereto, or other provisions, so as to provide to the Existing Stockholders and Main Place Holdings, to the fullest extent permitted by applicable law, the benefits intended by such provisions.

-10-

8.8 Titles. The titles, captions or headings of the Articles and Sections herein are for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

-11-

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

MAIN PLACE HOLDINGS CORPORATION

By: /s/ Gary S. Williams

Name: Gary S. Williams
Title: Senior Vice President

NATIONSBANK, N.A.

By: /s/ Gary S. Williams.

Name: Gary S Williams
Title: Senior Vice President

-12-

AGREEMENT OF MERGER

AGREEMENT OF MERGER, dated this first day of November, 1996, pursuant to Section 254 of the General Corporation Law of Delaware, between MAIN PLACE HOLDINGS CORPORATION, a Delaware corporation ("Parent"), MAIN PLACE FUNDING CORPORATION, a Delaware corporation (the "Company") and wholly-owned subsidiary of Parent, and MAIN PLACE REAL ESTATE INVESTMENT TRUST, a Maryland business trust (the "Trust") and wholly-owned subsidiary of Parent.

WITNESSETH that:

WHEREAS, the Company is a wholly-owned subsidiary of Parent; and

WHEREAS, the Trust is a newly formed Maryland real estate investment trust and a wholly-owned subsidiary of Parent; and

WHEREAS, the parties desire to merge the Company with and into the Trust with the Trust as the surviving entity;

WHEREAS, the parties understand and intend that at the Effective Time, as more fully set forth herein, (i) the Company will be merged with and into the Trust which shall be the surviving entity, on the terms and conditions contained herein, and (ii) all of the shares of the Company Common Stock (as hereinafter defined) outstanding at the Effective Time will be cancelled and the capital of the Company shall be contributed to the Trust as provided in Section 3.1; and

WHEREAS, the Boards of Directors of the Parent and the Company and the Board of Trustees of the Trust have approved the merger of the Company into the Trust (the "Merger") pursuant to the terms and conditions set forth in this Agreement, and the sole stockholder of the Company and the Trust has approved the Merger;

NOW, THEREFORE, the Parent, the Company and the Trust, in consideration of the mutual covenants, agreements and provisions hereinafter contained do hereby prescribe the terms and conditions of said merger and mode of carrying the same into effect as follows:

-13-

ARTICLE I

THE MERGER

Section 1.1 The Merger. Upon the terms and subject to the conditions of

this Agreement, at the Effective Time (as defined below) in accordance with the Corporations and Associations Article of the Annotated Code of Maryland and the Delaware General Corporation Law:

The Company shall merge with and into the Trust (the "Merger") in accordance with this Agreement and upon the filing of the appropriate articles of merger (the "Articles of Merger"). The separate existence of the Company shall thereupon cease and the Trust (the "Surviving Trust") shall be the surviving entity.

Section 1.2 Effective Time of the Merger. The Merger shall become effective at such time (the "Effective Time") after the Closing as (i) a copy of the duly completed and executed Articles of Merger is delivered to the State Department of Assessments and Taxation of the State of Maryland and is accepted for filing by the State Department of Assessments and Taxation of the State of Maryland or (ii) at such later time as the parties may agree to specify in the Articles of Merger. However, for all accounting purposes the Effective Time of this merger shall be as of the close of business on October 31, 1996.

Section 1.3 Effects of the Merger. At the Effective Time, all the property, rights, privileges, franchises, patents, trademarks, licenses, registrations, and other assets of every kind and description of the Company shall be transferred to, vested in and devolve upon the Surviving Trust without further act or deed and all property, rights, and every other interest of the Trust and the Company shall be as effectively the property of the Surviving Trust as they were of the Trust and the Company, respectively. The Company hereby agrees from time to time, as and when requested by the Surviving Trust or by its successors or assigns, to execute and deliver or cause to be executed and delivered all such deeds and instruments and to take or cause to be taken such further or other action as the Surviving Trust may deem necessary or desirable in order to vest in and confirm to the Surviving Trust title to and possession of any property of the Company acquired or to be acquired by reason of or as a result of the Merger and otherwise to carry out the intent and purposes hereof and the proper officers and directors of the Company and the proper officers and directors of the Surviving Trust are fully authorized in the name of the Company or otherwise to take any and all such action.

Section 1.4 Closing. The closing (the "Closing ") of the transactions contemplated by this Agreement shall take place at the offices of Stroock &

-14-

Stroock & Lavan, Seven Hanover Square, New York, New York, at 10:00 A.M. Eastern Standard Time on November 1, 1996.

Section 1.5 The Surviving Trust may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of the Company as well as for enforcement of any obligation of the Surviving Trust arising from the Merger, including any suit or other proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of

Section 262 of the General Corporation Law of Delaware; and it does hereby irrevocably appoint the Secretary of State of Delaware as its agent to accept service of process in any such suit or other proceeding. The address to which a copy of such process shall be mailed by the Secretary of State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801 until the Surviving Trust shall have hereafter designated in writing to the said Secretary of State a different address for such purpose. Service of such process may be made by personally delivering to and leaving with the Secretary of State of Delaware duplicate copies of such process, one of which copies the Secretary of State of Delaware shall forthwith send by registered mail to the above address.

ARTICLE II

THE SURVIVING TRUST

Section 2.1 Declaration of Trust; Bylaws. The Declaration of Trust and the Bylaws of the Trust as heretofore amended and as in effect on the date of the Merger, shall continue in full force and effect as the Declaration of Trust and Bylaws of the Surviving Trust.

Section 2.2 Directors and Officers.

(a) At the Effective Time, the Board of Trustees of the Trust shall continue to serve as the Board of Trustees of the Surviving Trust.

(b) At the Effective Time, the officers of the Trust shall continue to be the officers of the Surviving Trust.

ARTICLE III

CONVERSION OF SHARES

Section 3.1 Cancellation of Company Shares in the Merger. At the Effective Time, by virtue of the Merger and without any action on the part of any holder of any capital stock of the Company, each share of common

-15-

stock, par value \$0.01 per share, of the Company ("Company Common Stock") issued and outstanding immediately prior to the Effective Time shall be treated as follows:

(a) Each share of the Company Common Stock which shall be outstanding at the Effective Time, and all rights in respect thereof shall forthwith be cancelled and any registered owner of uncertificated shares of Company Common Stock, if any, shall have said shares cancelled; such that the capital of the Company shall be contributed to the Trust.

(b) Each common share of beneficial interest of the Trust,

which shall be issued and outstanding at the Effective Time, shall remain outstanding and unaffected by the Merger.

[Signature page follows]

-16-

IN WITNESS WHEREOF, the Parent, the Company and the Trust have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

MAIN PLACE HOLDINGS CORPORATION

/s/ Gary S. Williams.

By:

MAIN PLACE FUNDING CORPORATION

/s/ Gary S. Williams.

By:

MAIN PLACE REAL ESTATE INVESTMENT TRUST

/s/ Gary S. Williams.

By:

STOCK PURCHASE AGREEMENT

AGREEMENT, dated as of November 1, 1996, is entered into by and between NATIONSBANK, N.A., a National banking association ("Buyer") and NATIONSBANK, N.A. (SOUTH), a national banking association ("Seller").

WHEREAS, Seller is the record and beneficial owner of 100 shares of common stock, \$.01 par value per share, of Main Place Funding Corporation (the "Corporation"), a Delaware corporation (the "Shares");

WHEREAS, Seller desires to sell, and Buyer desires to purchase, the Shares on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

4. Purchase and Sale of Shares.

Seller hereby sells, assigns and transfers to Buyer, and Buyer hereby purchases from Seller, the Shares at a purchase price of \$11,152,270 per share, for an aggregate consideration of \$1,115,227,000. Concurrently with the execution of this agreement, Seller is delivering to Buyer a share certificate representing the Shares, duly endorsed in blank or accompanied by proper instruments of transfer duly signed by Seller in blank and accompanied by necessary transfer tax stamps or funds therefor, against payment of such consideration by delivery to Seller of \$1,115,227,000.

5. Representations and Warranties of Seller. As a material inducement to Buyer to enter into and perform its obligations under this Agreement, Seller represents and warrants to Buyer as follows:

(a) Seller is the beneficial and record owner of the Shares and has valid and marketable title to the Shares, free and clear of any lien, pledge and encumbrance or any claim of any third party.

(b) Upon delivery of the share certificate representing the Shares in accordance with the terms hereof, valid and marketable title to the Shares will pass to Buyer free and clear of any lien, pledge and encumbrance or any claim of any third party.

(c) Seller has full legal right, power and authority, and all approvals required by law, to enter into this Agreement,

to sell, assign, transfer and deliver the Shares in the manner provided in this Agreement and to perform all of its obligations hereunder. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller enforceable in accordance with its terms.

(d) Seller has had full access to any and all information relating to Buyer, and has had the opportunity to learn of all the developments in Buyer, its business and its affairs, and has made such investigation of and has had access to any and all information relating to the Buyer as Seller has deemed necessary or appropriate for entering into this Agreement and carrying out the transactions contemplated hereby.

6. Representations and Warranties of the Buyer. As a material inducement to Seller to enter into and perform its obligations under this Agreement, Buyer represents and warrants to Seller as follows:

(a) Buyer has full legal right, power and authority, and all approvals required by law, to enter into this Agreement and to perform all of its obligations hereunder. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action.

(b) This Agreement constitutes a legal, valid and binding obligation of Buyer enforceable in accordance with its terms.

(c) Buyer is acquiring the shares of the Corporation for its own account, for investment and not with a view to the sale or distribution thereof or with any present intention of selling or distributing any thereof, except in conformity with the Securities Act. Buyer understands and acknowledges that the Shares are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the SEC to the effect that a proposed transfer of the Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for or reasonably acceptable to the Corporation to the effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws.

4. Buyer understands that all Shares sold in connection with this Agreement will bear the following legend:

"The Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and are "restricted securities" as that term is defined in Rule 144A under the Act. The Shares may not be offered for

sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Corporation."

5. Miscellaneous.

(c) This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

(d) The representations and warranties contained herein shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and remain in full force and effect, notwithstanding any investigation at any time made by or on behalf of the parties.

(e) All questions concerning the construction, validity and interpretation of this Agreement and the performance of obligations hereunder will be governed by the internal laws, not the laws of conflicts, of the State of New York.

(f) This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof and cannot be changed or terminated orally.

(g) This Agreement may be signed in any number of counterparts, each of which together shall constitute one and the same instrument.

-3-

IN WITNESS WHEREOF, Buyer and Seller have duly executed this Agreement as of the date first above written.

NATIONSBANK, N.A.

By:/s/ Gary S. Williams

Name: Gary S. Williams
Title:Senior Vice President

NATIONSBANK, N.A. (SOUTH)

By:/s/ Gary S. Williams
Name: Gary S. Williams
Title:Senior Vice President

STOCK PURCHASE AGREEMENT

AGREEMENT, dated as of November 1, 1996, is entered into by and between NATIONSBANK, N.A., a National banking association ("Buyer") and NATIONSBANK OF TEXAS, N.A., a National banking association ("Seller").

WHEREAS, Seller is the record and beneficial owner of 53,787 Class A shares of beneficial interest, \$1.00 par value per share, of Main Place Real Estate Investment Trust (the "Trust"), a Maryland real estate investment trust (the "Class A Shares");

WHEREAS, Seller desires to sell, and Buyer desires to purchase, the Class A Shares on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Purchase and Sale of Shares.

Seller hereby sells, assigns and transfers to Buyer, and Buyer hereby purchases from Seller, the Class A Shares at a purchase price of \$108,994.79 per share, for an aggregate consideration of \$5,862,502,929.52. Concurrently with the execution of this agreement, Seller is delivering to Buyer a share certificate representing the Class A Shares, duly endorsed in blank or accompanied by proper instruments of transfer duly signed by Seller in blank and accompanied by necessary transfer tax stamps or funds therefor, against payment of such consideration by delivery to Seller of \$5,862,502,929.52.

2. Representations and Warranties of Seller. As a material inducement to Buyer to enter into and perform its obligations under this Agreement, Seller represents and warrants to Buyer as follows:

(a) Seller is the beneficial and record owner of the Class A Shares and has valid and marketable title to the Class A Shares, free and clear of any lien, pledge and encumbrance or any claim of any third party.

(b) Upon delivery of the share certificate representing the Class A Shares in accordance with the terms hereof, valid and marketable title to the Class A Shares will pass to Buyer free and clear of any lien, pledge and encumbrance or any claim of any third party.

(c) Seller has full legal right, power and authority, and all

approvals required by law, to enter into this Agreement, to sell, assign, transfer and deliver the Class A Shares in the

-2-

manner provided in this Agreement and to perform all of its obligations hereunder. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller enforceable in accordance with its terms.

(d) Seller has had full access to any and all information relating to Buyer, and has had the opportunity to learn of all the developments in Buyer, its business and its affairs, and has made such investigation of and has had access to any and all information relating to the Buyer as Seller has deemed necessary or appropriate for entering into this Agreement and carrying out the transactions contemplated hereby.

3. Representations and Warranties of the Buyer. As a material inducement to Seller to enter into and perform its obligations under this Agreement, Buyer represents and warrants to Seller as follows:

(a) Buyer has full legal right, power and authority, and all approvals required by law, to enter into this Agreement and to perform all of its obligations hereunder. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action.

(b) This Agreement constitutes a legal, valid and binding obligation of Buyer enforceable in accordance with its terms.

(c) Buyer is acquiring the Class A Shares of the Trust for its own account, for investment and not with a view to the sale or distribution thereof or with any present intention of selling or distributing any thereof, except in conformity with the Securities Act. Buyer understands and acknowledges that the Class A Shares of the Trust are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the SEC to the effect that a proposed transfer of the Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for or reasonably acceptable to the Trust to effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws.

4. Share Legend. Buyer understands that all Class A Shares of the Trust sold in connection with this Agreement will bear the following legend:

"The Shares represented by this certificate have not been

registered under the Securities Act of 1933, as amended (the "Act"), and are "restricted securities" as that term is defined in Rule 144A under the Act. The Shares may not be offered for

-3-

sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Trust."

5. Miscellaneous.

(c) This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

(d) The representations and warranties contained herein shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and remain in full force and effect, notwithstanding any investigation at any time made by or on behalf of the parties.

(e) All questions concerning the construction, validity and interpretation of this Agreement and the performance of obligations hereunder will be governed by the internal laws, not the laws of conflicts, of the State of New York.

(f) This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof and cannot be changed or terminated orally.

(g) This Agreement may be signed in any number of counterparts, each of which together shall constitute one and the same instrument.

-4-

IN WITNESS WHEREOF, Buyer and Seller have duly executed this Agreement as of the date first above written.

NATIONSBANK, N.A.

By:/s/ Gary S. Williams
Name: Gary S. Williams
Title: Senior Vice President

NATIONSBANK OF TEXAS, N.A.

By:/s/ Gary S. Williams
Name: Gary S. Williams
Title: Senior Vice President

STOCK CONTRIBUTION AGREEMENT

by and among

NATIONSBANK, N.A.

and

MAIN PLACE HOLDINGS CORPORATION

Dated: November 1, 1996

CONTRIBUTION AGREEMENT

This Contribution Agreement, dated as of November 1, 1996, is by and between NATIONSBANK, N.A., a national banking association ("NationsBank, N.A."), and MAIN PLACE HOLDINGS CORPORATION, a Delaware corporation ("Main Place Holdings").

RECITALS

NationsBank, N.A. owns all of the issued and outstanding shares of capital stock of Main Place Funding Corporation, a Delaware corporation (the "Corporation") and Main Place Holdings.

NationsBank, N.A. desires to contribute, and Main Place Holdings desires to accept from NationsBank, N.A. all of the issued and outstanding capital stock of the Corporation in consideration for the issuance by Main Place Holdings to NationsBank, N.A. of twenty-five (25) shares of common stock, no par value per share (the "Shares"), of Main Place Holdings, subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
CONTRIBUTION OF SECURITIES

Section 1.1 Contribution of the Corporation Shares. NationsBank, N.A. hereby agrees to transfer, assign, convey and deliver to Main Place Holdings, and Main Place Holdings hereby agrees to accept from NationsBank, N.A., on the date hereof, all right, title and interest of NationsBank, N.A., legal or equitable, in and to all of the issued and outstanding shares of capital stock of the Corporation (the "Corporation Shares") owned by NationsBank, N.A.

Consideration to NationsBank, N.A.. On the date hereof, Main Place Holdings shall deliver the Shares to NationsBank, N.A., in consideration of the contribution, transfer, assignment, conveyance and delivery of the Corporation Shares.

ARTICLE II

CLOSING

Section 2.1 Closing. The closing of the transactions contemplated herein (the "Closing") shall be held at 10:00 a.m. on November 1, 1996, unless otherwise agreed by the parties hereto, at the offices of Stroock & Stroock & Lavan, Seven Hanover Square, New York, New York.

Section 2.2 Deliveries at the Closing. At the Closing:

(a) NationsBank, N.A. shall deliver to Main Place Holdings the Corporation Shares, together with stock powers or other appropriate powers or evidence of transfer in favor of Main Place Holdings or in blank.

(b) Main Place Holdings shall deliver to NationsBank, N.A. the Shares as provided for in Section 1.2.

(c) Main Place Holdings and NationsBank, N.A. shall deliver the certificates and other matters described in Articles VI and VII herein.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF NATIONSBANK, N.A.

NationsBank, N.A. hereby represents and warrants to Main Place Holdings as follows:

Section 3.1 Organization. The Corporation is duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to conduct its business as it is presently being conducted and to own, lease and operate its properties and assets.

Section 3.2 Subsidiaries. The Corporation has no subsidiaries.

Organizational Documents, Etc. True, complete and accurate copies of the certificate of incorporation and bylaws, each of the foregoing as amended to the date hereof, and the minute books and all stock books and stock transfer records of the Corporation, each current to the date hereof, have been furnished to Main Place Holdings, and there will be no amendments or changes to such declaration of trust or bylaws prior to the Closing.

Section 3.4 Capital Stock, Etc. All of the issued and outstanding capital stock of the Corporation is held by NationsBank, N.A. All the shares of Corporation's capital stock are, and from the date hereof through the Closing, will be, validly issued and outstanding, fully paid and non-assessable. There are no outstanding options, warrants, rights (including preemptive rights), subscriptions, calls, commitments, conversion rights, rights of exchange, plans or other agreements of any

character providing for the purchase, issuance or sale of any shares of the capital stock of the Corporation.

Section 3.5 No Conflict or Violation. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in (i) a violation or breach of, conflict with or default under any term or provision of any contract, agreement, indebtedness, lease, encumbrance, commitment, license, franchise, permit, authorization or concession to which either of the Corporation or NationsBank, N.A. is a party or by which either of the Corporation or NationsBank, N.A. is bound or affected or (ii) a violation by the Corporation or by NationsBank, N.A. of any statute, rule, regulation, ordinance, code, action or award applicable to the Corporation or to NationsBank, N.A., as the case may be.

Section 3.6 Restrictive Documents. Neither NationsBank, N.A. or the Corporation is subject to, or a party to, any mortgage, lien, lease, license, permit, agreement, contract or instrument, or to any law, rule, ordinance, regulation, action or any other restriction of any kind or character, which would have a material adverse effect on the execution, delivery and performance of this Agreement by the Corporation or NationsBank, N.A. and consummation by the Corporation of the transactions contemplated hereby.

Consents and Approvals; Licenses. No consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, any governmental entity, or any other person or entity, is required to be made or obtained by the Corporation or by NationsBank, N.A. in connection with the execution, delivery and performance by the Corporation and by NationsBank, N.A., as the case may be, of this Agreement and the consummation by the Corporation and by NationsBank, N.A., as the case may be, of the transactions contemplated hereby.

Section 3.8 Compliance with Law. The Corporation has complied with, and has not violated, any judgments, rulings, orders, writs, injunctions, awards, decrees, statutes, laws, ordinances, codes, rules or regulations of any governmental entity applicable to it or to its assets, properties, business or operations. No consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, any governmental entity which has not been obtained is material to or necessary for the conduct of the business of the Corporation. No violations are or have been recorded in respect of any consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, any governmental entity, and no proceeding is pending, or to the knowledge of the Corporation threatened, to revoke or limit any consent, approval, authorization, license, order or permit of, or declaration, filing or registration with, any governmental entity.

Section 3.9 Litigation. There is no litigation, arbitration, claim, governmental or other proceeding or investigation (domestic or foreign, formal or informal) pending or, to the knowledge of NationsBank, N.A. threatened or in prospect (or any basis therefor known to NationsBank, N.A.), with respect to the Corporation or any of its operations, business, properties or assets except as, individually or in the aggregate, do not now have and are not reasonably expected in the future to have a material adverse effect upon the financial condition, results of operations, business, prospects, properties or assets of the Corporation.

Section 3.10 Authorization. NationsBank, N.A. has the legal right, power and authority to execute, deliver and perform its obligations under this Agreement and each other agreement, document or instrument contemplated hereby to which it is a party. This Agreement has been duly executed and delivered by NationsBank, N.A. and is a legal, valid and binding obligation of NationsBank, N.A., enforceable against NationsBank, N.A. in accordance with its terms, except as limited by the effect of bankruptcy, insolvency, moratorium, fraudulent conveyance and similar laws relating to or affecting creditors' rights generally and court decisions with respect thereto.

Section 3.11 No Other Agreements to Sell Securities. NationsBank, N.A. has no legal obligation, absolute or contingent, to any person or entity other than Main Place Holdings to transfer, assign, convey and deliver the Corporation Shares.

Section 3.12 Investment Representations. NationsBank, N.A. is acquiring the Shares for its own account, for investment and not with a view to the sale or distribution thereof or with any present intention of selling or distributing any thereof, except in conformity with the Securities Act of 1933, as amended (the "Securities Act"). NationsBank, N.A. understands and acknowledges that the Shares are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the Securities and Exchange Commission to the effect that a proposed transfer of the Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for or reasonably acceptable to Main Place Holdings to the effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF MAIN PLACE HOLDINGS

Main Place Holdings hereby represents and warrants to NationsBank, N.A. as follows:

Section 4.1 Organization of Main Place Holdings. Main Place Holdings is duly organized, validly existing and in good standing under the laws of the State of Delaware, has full corporate power and authority to conduct its business as it is presently being conducted and to own, lease and operate its properties and assets. Main Place Holdings is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the ownership of property or nature of its business requires such qualification and where failure to be so qualified would have a material adverse effect on Main Place. Main Place Holdings was incorporated on September 23, 1996 and has done no business and incurred no obligations except with respect to the transactions contemplated hereby.

Section 4.2 Authorization. Main Place Holdings has all necessary corporate power and authority and has taken all corporate action necessary to enter into this Agreement to consummate the transactions contemplated hereby and to perform its obligations hereunder. This Agreement has been duly executed and delivered by Main Place Holdings and is a legal, valid and binding obligation of Main Place Holdings enforceable against Main Place Holdings in accordance with its terms, except as limited by the effect of bankruptcy, insolvency, moratorium, fraudulent conveyance and similar laws relating to or affecting creditors rights generally and court decisions with respect thereto.

Section 4.3 No Conflict or Violation. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in (i) a violation of or a conflict with any provision of the certificate of incorporation or bylaws of Main Place Holdings, (ii) a breach of, or a default under, any term or provision of any contract, agreement, indebtedness, lease, encumbrance, commitment, license, franchise, permit, authorization or concession to which Main Place Holdings is a party or by which Main Place Holdings is bound or affected which breach or default would have a material adverse effect on the business or financial condition of Main Place Holdings or its ability to consummate the transactions contemplated hereby or (iii) a violation by Main Place Holdings of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree, action or award applicable to Main Place Holdings, which violation would have a material adverse effect on the business or financial condition of Main Place Holdings or its ability to consummate the transactions contemplated hereby.

Section 4.4 Consents and Approvals. No consent, approval or authorization of, or declaration, filing or registration with, any governmental entity, or any other person or entity is required to be made or obtained by Main Place Holdings in

connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

Section 4.5 Issuance of Main Place Holdings Common Stock. The authorized capital stock of Main Place Holdings consists of 200 shares of common stock, no par value per share. As of the date hereof, 100 shares of Main Place Holdings Common Stock are outstanding. Upon the issuance of the Shares as provided herein, the Main Place Holdings Common Stock will be duly and validly issued, fully paid and non-assessable. There are no outstanding options, warrants, rights, calls, commitments, conversion rights, rights of exchange, plans or other agreements of any character providing for the purchase, issuance or sale of any shares of the capital stock of Main Place Holdings.

Section 4.6 Investment Representations. Main Place Holdings is acquiring the Corporation Shares for its own account for investment and not with a view to the sale or distribution thereof or with any present intention of selling or distributing any thereof. Main Place Holdings understands and acknowledges that the Corporation Shares are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the Securities and Exchange Commission to the effect that a proposed transfer of the Corporation Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for the Corporation to the effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws.

ARTICLE V

COVENANTS OF NATIONSBANK, N.A. AND MAIN PLACE HOLDINGS

NationsBank, N.A., on the one hand, and Main Place Holdings, on the other hand, covenant with each other as follows:

Section 5.1 Maintenance of Business Prior to Closing. During the period from the date hereof through the Closing Date, NationsBank, N.A. shall cause the Corporation to continue to carry on its business in the ordinary course and in accordance with past practice and not to take any action inconsistent therewith or with the consummation of the Closing.

Section 5.2 Share Legend. The certificates representing the Shares shall bear the following legend:

"The Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and are "restricted securities" as that term is defined in Rule 144A under the Act. The Shares may not be offered for

sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Corporation."

ARTICLE VI
CONDITIONS TO NATIONSBANK N.A.'S OBLIGATIONS

The obligations of NationsBank, N.A. to consummate the transactions provided for hereby are subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

Section 6.1 Representations, Warranties and Covenants. All representations and warranties of Main Place Holdings contained in or made pursuant to this Agreement shall be true and correct in all material respects at and as of the Closing Date (and such representations and warranties shall be deemed to be repeated by Main Place Holdings at and as of the Closing Date), except as and to the extent that the facts and conditions upon which such representations and warranties are based are expressly required or permitted to be changed by the terms hereof, and Main Place Holdings shall have performed in all material respects all agreements and covenants required hereby to be performed by it prior to or on the Closing Date.

Section 6.2 Consents. All consents, approvals and waivers from third parties, governmental entities and other parties necessary to permit NationsBank, N.A. to transfer the Corporation Shares to Main Place Holdings as contemplated hereby shall have been obtained.

Section 6.3 No Governmental Proceedings or Litigation. No action by any governmental entity shall have been instituted or threatened which questions the validity or legality of the transactions contemplated hereby and which could reasonably be expected materially to damage NationsBank, N.A. if the transactions contemplated hereunder are consummated.

Section 6.4 Corporate Documents. NationsBank, N.A. shall have received from Main Place Holdings resolutions adopted by the board of directors of Main Place Holdings approving this Agreement and the transactions contemplated hereby certified by Main Place Holdings' corporate secretary or assistant secretary.

Certificates. Main Place Holdings shall have furnished NationsBank, N.A. with

such certificates of Main Place Holdings officers and others to evidence compliance with the conditions set forth in this Article VI as may be reasonably requested by NationsBank, N.A.

ARTICLE VII
CONDITIONS TO MAIN PLACE HOLDINGS' OBLIGATIONS

The obligations of Main Place Holdings to consummate the transactions provided for hereby are subject, in the discretion

-8-

of Main Place Holdings, to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

Section 7.1 Representations, Warranties and Covenants. All representations and warranties of NationsBank, N.A. contained in or made pursuant to this Agreement shall be true and correct in all material respects at and as of the Closing Date (and such representations and warranties shall be deemed to be repeated by NationsBank, N.A. at and as of the Closing Date), except as and to the extent that the facts and conditions upon which such representations and warranties are based are expressly required or permitted to be changed by the terms hereof, and NationsBank, N.A. shall have performed in all material respects all agreements and covenants required hereby to be performed by them prior to or on the date of the Closing.

Section 7.2 Consents. All consents, approvals and waivers from third parties, governmental entities and other parties necessary to permit NationsBank, N.A. to transfer, and Main Place Holdings to accept the Corporation Shares as contemplated hereby shall have been obtained.

Section 7.3 No Governmental Proceedings or Litigation. No action by any governmental entity shall have been instituted or threatened which questions the validity or legality of the transactions contemplated hereby and which could reasonably be expected to affect materially the right or ability of Main Place Holdings to own the Corporation Shares after the Closing or materially to damage Main Place Holdings or the Corporation if the transactions contemplated hereunder are consummated.

Certificates. NationsBank, N.A. shall have furnished Main Place Holdings with such certificates to evidence compliance with the conditions set forth in this Article VII as may be reasonably requested by Main Place Holdings.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 Termination. If any condition precedent to NationsBank, N.A.'s obligations hereunder is not satisfied and such condition is not waived by NationsBank, N.A. on or prior to the date of the Closing, or if any condition precedent to Main Place Holdings' obligations hereunder is not satisfied and such condition is not waived by Main Place Holdings on or prior to the date of the Closing, NationsBank, N.A. or Main Place Holdings, as the case may be, may terminate this Agreement at their or its option by notice to the other party. This Agreement may be terminated by the mutual agreement of the parties hereto.

-9-

Section 8.2 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by any party; except that Main Place Holdings may assign all its rights and obligations hereunder to a subsidiary or subsidiaries of Main Place Holdings or to a successor to the business of Main Place Holdings; provided, however, that such assignment shall not release Main Place Holdings with respect to any such obligations or liabilities. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No other person shall have any right, benefit or obligation hereunder.

Section 8.3 Notices. Unless otherwise provided herein, any notice, request, instruction or other document to be given hereunder by any party to any other party shall be in writing and shall be deemed to have been given (a) if mailed, at the time when mailed in any general or branch office of the United States Postal Service, enclosed in a registered or certified postage-paid envelope, (b) if sent by facsimile transmission, when so sent and receipt acknowledged by an appropriate telephone or facsimile receipt or (c) if sent by other means, when actually received by the party to which such notice has been directed, in each case at the respective addresses or numbers set forth below or such other address or number as such party may have fixed by notice:

If to NationsBank, N.A. addressed to:

NationsBank, N.A.
c/o NationsBank Corporation, Legal Department
100 North Tryon Street, 20th Floor
Charlotte, North Carolina 28255
Attention: George Walls, Esq.
Fax: (704) 386-6453

If to Main Place Holdings addressed to:

Main Place Holdings Corporation
100 North Tryon Street, 23rd Floor
Charlotte, North Carolina 28255

Section 8.4 Governing Law. This Agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of New York (without reference to the choice of law provisions of New York law) except with respect to matters of law concerning the internal corporate affairs of Main Place Holdings, and as to those matters the law of the State of Delaware shall govern.

Section 8.5 Entire Agreement; Modifications and Waivers. This Agreement, together with all exhibits and schedules hereto,

-10-

constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party or parties to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other rights, power or privilege hereunder. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies which any party may otherwise have at law or in equity.

Section 8.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 8.7 Invalidity. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument and, to the extent enforceable, such provisions shall be replaced by substitute provisions similar thereto, or other provisions, so as to provide to NationsBank, N.A. and Main Place Holdings, to the fullest extent permitted by applicable law, the benefits intended by such provisions.

Section 8.8 Titles. The titles, captions or headings of the Articles and

Sections herein are for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

-11-

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

MAIN PLACE HOLDINGS CORPORATION

By: _____
Name:
Title:

NATIONSBANK, N.A.

By: _____
Name:
Title:

-12-

MAIN PLACE REAL ESTATE INVESTMENT TRUST

DECLARATION OF TRUST
Dated October 24, 1996

This DECLARATION OF TRUST ("Declaration of Trust" or "Declaration") is made as of the date set forth above by the undersigned trustees.

WHEREAS, the Trustees desire to create a real estate investment trust under the laws of the State of Maryland; and

WHEREAS, the Trustees desire that this trust qualify as a "real estate investment trust" under the Internal Revenue Code of 1986, as amended (the "Code"), so long as such qualification, in the opinion of the Trustees, is advantageous to the Shareholders; and

WHEREAS, the Trustees desire that this trust qualify as a "real estate investment trust" under Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland, as the same may amended from time to time (the "Maryland REIT Law"); and

WHEREAS, the beneficial interest in the Trust shall be divided into transferrable units designated herein as Shares which shall be of one or more classes and evidenced by certificates;

NOW, THEREFORE, the Trustees hereby declare that they will hold in trust all property which they have or may hereafter acquire as such Trustees, together with the proceeds thereof, and manage the Trust Property (as hereinafter defined) for the benefit of the Shareholders as provided by this Declaration of Trust.

ARTICLE I
THE TRUST; DEFINITIONS

Section 1.1 Name. The name of the trust (the "Trust") is MAIN PLACE REAL ESTATE INVESTMENT TRUST. So far as may be practicable, the business of the Trust shall be conducted and transacted under that name, which name (and the word "Trust" wherever issued in this Declaration of Trust, except where the context otherwise requires) shall not refer to the Trustees, individually or personally or to the beneficiaries or Shareholders of the Trust or to any officers, employees or agents of the Trust or of such Trustees.

name "Main Place Real Estate Investment Trust" is not practicable, legal or convenient, and subject to the restrictions hereof, they may use any other designation or name for the Trust. The Trust shall have the authority to file such assumed name certificates or other instruments in such places as may be required by applicable law to operate under such assumed name or names.

Section 1.2 Resident Agent. The name of the resident agent of the Trust in the State of Maryland is Corporation Trust Incorporated, 32 South Street, Baltimore, Maryland 21202. The Trust may have such offices or places of business within or without the State of Maryland as the Trustees may from time to time determine.

Section 1.3 Nature of Trust. The Trust is a real estate investment trust within the meaning of the Maryland REIT Law. The Trust shall not be deemed to be a general partnership, limited partnership, joint venture, joint stock company or, except as provided in Section 11.4, a corporation (however, no provisions contained herein shall preclude the Trust from being treated for tax purposes as an association under the Code).

Section 1.4 Powers. The Trust shall have all of the powers granted to real estate investment trusts generally by the Maryland REIT Law or any successor statute and shall have any other and further powers as are not inconsistent with and are appropriate to promote and attain the purposes set forth in this Declaration of Trust. In addition, it is intended that the business of the Trust will be conducted so that the Trust will qualify (so long as such qualification, in the opinion of the Trustees, is advantageous to the Shareholders) as a "real estate investment trust" as defined in the Code.

Section 1.5 Purpose. The purpose for which the Trust is organized is (a) to purchase or otherwise acquire, own, hold, sell, transfer, assign, pledge, finance, refinance and otherwise deal with (i) mortgage loans, certificates or other securities guaranteed by the Government National Mortgage Association, (ii) mortgage loans, certificates or other securities issued or guaranteed by the Federal National Mortgage Association, (iii) mortgage loans, certificates or other securities issued or guaranteed by the Federal Home Loan Mortgage Corporation, (iv) deeds of trust, mortgage loans, mortgage pass-through certificates or collateralized mortgage obligations issued by any person or entity or other types of mortgage-related securities including residual interests, (v) direct obligations of, and obligations fully guaranteed by, the United States of America or any agency or instrumentality of the United States the obligations of which are backed by the full faith and credit of the United States of America, (vi) certificates representing interests in the principal and/or interest payable on any of the foregoing and (vii) such other securities

-3-

and investments as may be permitted by or acceptable to the applicable nationally-recognized statistical rating agency or agencies in connection with issuance, offer and sale by the Trust of one or more series of Mortgage-Backed Bonds (the "Bonds") collateralized by any of the foregoing, related property

and/or collections and proceeds in respect thereof; (b) to issue debt subordinated to the Bonds in connection with the acquisition of collateral for the Bonds; provided, however, that the acts and activities and exercise of any powers permitted in subsections (a) and (b) of this Section 1.5 require the prior written consent of the nationally-recognized statistical rating agency or agencies which rate any outstanding series of Bonds that any such activities will not result in a downgrade, qualification or withdrawal; and (c) to engage in any activity and to exercise any powers permitted to real estate investment trusts under the laws of the State of Maryland that are incident to the foregoing and necessary or convenient to accomplish the foregoing.

Section 1.6 Conditions of Operation of the Trust. The Trustees shall operate the Trust pursuant to the powers delineated herein, subject to the following conditions:

(a) The Trust shall maintain a separate principal office from which its business shall be conducted, which office may be located in identifiable space within the headquarters of NationsBank Corporation pursuant to a lease on commercially reasonable terms.

(b) The Trust shall maintain corporate records and books of account and shall not commingle its corporate records and books of account with the corporate records and books of account of any other entity.

(c) The Board of Trustees of the Trust shall hold appropriate meetings to authorize all of its actions.

(d) The funds and other assets of the Trust shall not be commingled with those of any other entity.

(e) The Trust shall pay its own expenses, including salaries for its employees, if any, and shall not guarantee or hold itself out as being liable for the debts of any other party.

(f) The Trust shall not form, or cause to be formed, any subsidiaries.

(g) The Trust shall act solely in the name designated under this Declaration of Trust and through its duly authorized officers or agents in

-4-

the conduct of its business, and shall conduct its business so as not to mislead others as to the identity of the entity with which they are concerned.

(h) The Trust shall operate in such a manner that it will qualify as a real estate investment trust under the Code.

(i) The Trust will conduct its business in its own name.

(j) The Trust will maintain separate financial statements.

(k) The Trust shall pay its own liabilities out of its own funds.

(l) The Trust will observe all corporate formalities.

(m) The Trust shall maintain an arm's length relationship with affiliates, as further detailed in Article VIII.

(n) The Trust shall not acquire obligations or securities of its Trustees or Shareholders.

(o) The Trust shall use its own separate stationery, invoices and checks.

(p) The Trust shall not pledge its assets for the benefit of any other entity or make any loans or advances to any entity.

(q) The Trust shall hold itself out as a separate entity.

(r) The Trust shall correct any known misunderstanding regarding its separate identity.

(s) The Trust shall maintain adequate capital in light of its contemplated business operations.

Section 1.7 Definitions. As used in this Declaration of Trust, the following terms shall have the following meanings unless the context otherwise requires:

"Adviser" means the Person, if any, appointed, employed or contracted with or by the Trust pursuant to Section 4.1.

"Affiliate" or "Affiliated" means, as to any corporation, partnership, trust or other association (other than the Trust), any Person (i) that holds beneficially, directly or indirectly, 1% or more of the outstanding stock or equity interests thereof or (ii) who is an officer, director, partner or trustee

-5-

thereof or of any Person which controls, is controlled by, or is under common control with, such corporation, partnership, trust or other association or (iii) which controls, is controlled by, or under common control with, such corporation, partnership, trust or other association.

"Bylaws" means the Bylaws of the Trust, as amended from time to time.

"Mortgages" means mortgages, deeds of trust, participations in mortgages or other security interests on or applicable to Real Property.

"Person" means an individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity, or any government or agency or political subdivision thereof, and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

"Real Property" or "Real Estate" means land, rights in land (including leasehold interests), and any buildings, structures, improvements, located on or used in connection with land and rights or interests in land.

"REIT Provisions of the Code" means Sections 856 through 860 of the Code and any successor or other provisions of the Code relating to real estate investment trusts (including provisions as to the attribution of ownership of beneficial interests therein) and the regulations promulgated thereunder.

"Securities" means any stock, shares or other evidences of equity or beneficial or other interests, voting trust certificates, bonds, debentures, notes or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in, temporary or interim certificates for, receipts for, guarantees of, or warrants, options or rights to subscribe to, purchase or acquire, any of the foregoing.

"Securities of the Trust" means any Securities issued by the Trust.

"Shareholders" means holders of record of outstanding Shares.

"Shares" means units of beneficial interest in the Trust and shall include Class A Trust Shares or Class B Trust Shares (each as defined in Section 6.1), and any other securities issued by the Trust that are designated as Shares.

-6-

"Trustees" or "Board of Trustees" means, collectively, the individuals named in Section 2.2 of this Declaration of Trust so long as they continue in office and all other individuals who have been duly elected and qualify as Trustees of the Trust hereunder.

"Trust Property" means any and all property, real, personal or otherwise, tangible or intangible, which is transferred or conveyed to the Trust or the Trustees (including all rents, income, profits, and gains therefrom), which is owned or held by, or for the account of, the Trust or the Trustees.

ARTICLE II
TRUSTEES

Section 2.1 Number. The number of Trustees initially shall be no less than 3 nor more than 15, which number may thereafter be increased or decreased from time to time by resolution of the Trustees then in office, in accordance with the Bylaws of Trust; however, the total number of Trustees shall not be more than 15. No reduction in the number of Trustees shall cause the removal of any Trustee from office prior to the expiration of his term. At least one trustee of the Trust (the "Outside Trustee") and at least one officer of the Trust (the "Outside Officer") shall not be, and for at least eighteen months prior thereto shall not have been, a director, officer or employee of, or direct or indirect beneficial owner of any of the voting securities of, or member of the immediate family of any such director, officer, employee or beneficial owner of, or independent contractor or consultant to, NationsBank Corporation or any corporate affiliate of NationsBank Corporation; provided, however, that the Outside Trustee and the Outside Officer may be the same person. Notwithstanding the foregoing, both the Outside Trustee and the Outside Officer may be a director or officer of one or more other corporations that is an affiliate or are affiliates of NationsBank Corporation, provided that (i) each such corporation is or was formed with limited purposes similar to the Trust and (ii) such person does not earn, in the aggregate, material compensation for serving in such positions. For the purposes of the foregoing, an "affiliate" of an entity is an entity controlling, controlled by, or under common control with such entity. Notwithstanding any other provision of this Declaration of Trust or any other provision of law that so empowers the Trust, in the event of the death, incapacity, or resignation of the Outside Trustee or the Outside Officer, or such position is otherwise vacated, a successor Outside Trustee or Outside Officer, as applicable, shall be appointed by the remaining trustees of the Trust and, in the case of an Outside Trustee, no action requiring the vote of the Outside Trustee of the Trust shall be taken until a successor Outside Trustee is elected and qualified and approves such action.

Section 2.2 Initial Board: Term. The name and address of the Trustees who shall serve until the earlier of the first annual meeting or until their successors are duly elected and qualify shall be:

-7-

Name	Address
G. Patrick Phillips John E. Mack William L. Maxwell	c/o NationsBank Corporation 100 North Tryon Street Charlotte, North Carolina 28255
James H. Luther (Outside Trustee)	3739 Bon Rea Drive Charlotte, North Carolina

-8-

Trustees shall serve for a term of one year. Each Trustee will hold office during such term until the next annual meeting of Shareholders entitled to vote for the election of Trustees and until his or her successor is duly elected and qualifies.

Section 2.3 Resignation, Removal or Death. Any Trustee may resign by written notice to the remaining Trustees, effective upon execution and delivery to the Trust of such written notice or upon any future date specified in the notice. A Trustee may be removed, with or without cause at a meeting of the Shareholders called for that purpose, by the affirmative vote of the holders of not less than a majority of the Shares then outstanding and entitled to vote in the election of Trustees. Upon the resignation or removal of any Trustee, or upon his or her otherwise ceasing to be a Trustee, such Trustee shall (i) automatically cease to have any right, title, or interest in and to the Trust Property, (ii) execute and deliver such documents as the remaining Trustees require for the conveyance of any Trust Property held in such Trustee's name, if any, and (iii) shall account to the remaining Trustees as they require for all property which he or she holds as Trustee. Upon the incapacity or death of any Trustee, the Trustee's legal representative shall perform the aforementioned acts. Notwithstanding the failure of any Trustee or his or her representative to execute and deliver any such document, each Trustee, by agreeing to serve as such, hereby assigns, conveys and transfers to the remaining Trustees, upon ceasing to act as a Trustee, all of his or her right, title and interest in and to any Trust Property, and hereby constitutes and appoints each of the remaining Trustees as his or her attorney in fact to execute, acknowledge, deliver and record any and all documents and instruments, in his or her name, place and stead and on his or her behalf, to effectuate and/or evidence such assignments, conveyance and transfer, with such power and authority as such Trustee may exercise personally if he or she were present in person.

Section 2.4 Legal Title. Legal title to all Trust Property shall be vested in the Trust in its own name or the Trustees' name, and the Trustees may cause legal title to any Trust Property to be held by or in the name of any Trustee or any other Person as nominee. The right, title, and interest of the Trustees in and to the Trust Property shall automatically vest in successor and additional Trustees upon qualification and acceptance of election or appointment as Trustees, and they shall thereupon have all the rights and obligations of

-9-

Trustees, whether or not conveyancing documents have been executed and delivered pursuant to Section 2.3 or otherwise. Written evidence of the qualification and acceptance of election or appointment of successor and additional Trustees may be filed with the records of the Trust and in such other offices, agencies or places as the Trustees may deem necessary or desirable.

Section 2.5 Fiduciary Duties of Trustees.

(a) In General. A Trustee shall perform his or her duties as a Trustee, including his or her duties as a member of a committee of the Board of Trustees on which he or she serves:

(i) In good faith;

(ii) In a manner he or she reasonably believes to be in the best interest of the Trust; and

(iii) With the care that an ordinarily prudent person in a like position would use under similar circumstances.

(b) Reliance on Information from Others. In performing his or her duties, a Trustee is entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by:

(i) An officer or employee of the Trust whom the Trustee reasonably believes to be reliable and competent in the matters presented;

(ii) A lawyer, certified public accountant or other person, as to a matter which the Trustee reasonably believes to be within the person's professional or expert competence; or

(iii) A committee of the Board of Trustees on which the Trustee does not serve, as to a matter within its designated authority, if the Trustee reasonably believes the committee to merit confidence.

A Trustee is not acting in good faith if he or she has any knowledge concerning the matter in questions which would cause such reliance to be unwarranted.

(c) Limited Liability. A person who performs his or her duties in accordance with the standard provided in this section 2.5 shall have the immunity from liability described under Section 5-348 of the Courts and Judicial Proceedings Article or any successor provision of the Maryland Code.

-10-

ARTICLE III POWERS OF TRUSTEES

Section 3.1 General. Subject to the express limitations herein or in the Bylaws, (1) the business and affairs of the Trust shall be managed under the direction of the Board of Trustees and (2) the Trustees shall have full, exclusive and absolute power, control and authority over the Trust Property and over the business of the Trust as if they, in their own right, were the sole

owners thereof. The Trustees may take any actions in their sole judgment and discretion as are necessary or desirable to conduct the business of the Trust. This Declaration of Trust shall be construed with a presumption in favor of the grant of power and authority to the Trustees. Any construction of this Declaration of Trust or determination made in good faith by the Trustees concerning their powers and authority hereunder shall be conclusive and binding. The enumeration and definition of particular powers of the Trustees included in this Article III shall in no way be limited or restricted by reference to or inference from the terms of this or any other provision of this Declaration of Trust or construed or deemed by inference or otherwise in any manner to exclude or limit the powers conferred upon the Trustees under the general laws of the State of Maryland as now or hereafter in force.

Section 3.2 Specific Powers and Authority. Subject only to the express limitations herein, and those in Sections 1.5, 2.1 and 3.3, and in addition to all other powers and authority conferred by this Declaration of Trust, by the Maryland REIT Law and by any other provisions of applicable law, the Trustees, without any vote, action or consent by the Shareholders, shall have and may exercise, at any time or times, in the name of the Trust or on its behalf the following powers and authorities:

(a) Investments. Subject to Section 8.5, to invest in, purchase or otherwise acquire and to hold real, personal or mixed, tangible or intangible, property of any kind wherever located, or rights or interests therein or in connection therewith, all without regard to whether such property, interests or rights are authorized by law for the investment of funds held by trustees or other fiduciaries, or whether obligations the Trust acquires have a term greater or lesser than the term of office of the Trustees or the possible termination of the Trust, for such consideration as the Trustees may deem proper (including cash, property of any kind or Securities of the Trust), provided, however, that the Trustees shall take such actions as they deem necessary and

-11-

desirable to comply with any requirements of the Maryland REIT Law and the Code relating to types of assets held by the Trust.

(b) Sale, Disposition and Use of Property. Subject to Article V and Sections 8.5 and 9.3, to sell, rent, lease, hire, exchange, release, partition, mortgage, grant security interests in, encumber, negotiate, dedicate, grant easements in and options with respect to, convey, transfer (including transfers to entities wholly or partially owned by the Trust or the Trustees) or otherwise dispose of any or all of the Trust Property by deeds (including deeds in lieu of foreclosure with or without consideration), trust deeds, assignments, bills of sale, transfers, leases, mortgages, financing statements, security agreements and other instruments for any of such purposes executed and delivered for and on behalf of the Trust or the Trustees by one or more of the Trustees or by duly authorized officer, employee, agent or nominee of the Trust, on such terms as they deem appropriate; to give consents and make contracts relating to the Trust Property and its use or other property or

matters; to develop, improve, manage, use, alter, and otherwise deal with the Trust Property; and to rent, lease or hire from others property of any kind; provided, however, that the Trust may not use or apply land for any purposes not permitted by applicable law.

(c) Financing. Subject to Section 1.5, to borrow or in any other manner raise money for the purposes and on the terms they determine, and to evidence the same by issuance of Securities of the Trust, which may have such provisions as the Trustees determine; to reacquire such securities of the Trust; to enter into other contracts or obligations on behalf of the Trust; to guarantee, indemnify or act as surety with respect to payment or performance of obligations of any Person; to mortgage, pledge, assign, grant security interests in or otherwise encumber the Trust Property to secure any such securities of the Trust, contracts or obligations (including guarantees, indemnifications and suretyships); and to renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust or participate in any reorganization of obligors to the Trust.

(d) Loans. Subject to the provisions of Section 8.5, to lend money or other Trust Property on such terms, for such purposes and to such Persons as they may determine.

(e) Issuance of Securities. Subject to the provisions of Article VI, to create and authorize the issuance, in shares, units or amounts of one or more types, series or classes, of Securities of the Trust, which may have such voting rights, dividend or interest rates, preferences, subordinations, conversion or redemption prices or rights, maturity dates, distribution, exchange, or liquidation rights or other rights as the Trustees may determine,

-12-

without vote of or other action by the Shareholders; to issue any type of Securities of the Trust, and any options, warrants, or rights to subscribe therefor, all without vote of or other action by the Shareholders, to such Persons for such consideration, at such time or times and in such manner and on such terms as the Trustees determine; to list any of the Securities of the Trust on any securities exchange or quotation system; and to purchase or otherwise acquire, hold, cancel, reissue, sell and transfer any Securities of the Trust.

(f) Expenses and Taxes. To pay any charges, expenses or liabilities necessary or desirable, in the sole discretion of the Trustees, for carrying out the purposes of this Declaration of Trust and conducting the business of the Trust, including compensation or fees to Trustees, officers, employees and agents of the Trust, and to the Persons contracting with the Trust, and any taxes, levies, charges and assessments of any kind imposed upon or chargeable against the Trust, the Trust Property, or the Trustees in connection therewith; and to prepare and file any tax returns, reports or other documents and take any other action relating to the payment of any such charges, expenses or liabilities. In connection with the preparation and filing of tax returns, the Trustees shall elect on any tax return to be treated as a

corporation if such election is necessary under the Code in order to maintain the status of the Trust as a real estate investment trust.

(g) Collection and Enforcement. To collect, sue for and receive money or other property due to the Trust; to consent to extensions of the time for payment, or to the renewal of any Securities or obligations; to engage or to intervene in, prosecute, defend, compound, enforce, compromise, release, abandon or adjust any actions, suits, proceedings, disputes, claims, demands, security interests, or things relating to the Trust, the Trust Property, or the Trust's affairs; to exercise any rights and enter into any agreements, and take any other action necessary or desirable in connection with the foregoing.

(h) Deposits. To deposit funds or Securities constituting part of the Trust Property in banks, trust companies, savings and loan associations, financial institutions and other depositories, whether or not such deposits will draw interest, subject to withdrawal on such terms and in such manner as the Trustees determine.

(i) Allocation Accounts. To determine whether moneys, profits or other assets of the Trust shall be charged or credited to, or allocated between, income and capital, including whether or not to amortize any premium or discount and to determine in what manner any expenses or disbursements are to be borne as between income and capital (regardless of how such items would normally or otherwise be charged to or allocated between income

-13-

and capital without such determination); to treat any dividend or other distribution on any investment as, or apportion it between, income and capital, in their discretion to provide reserves for depreciation, amortization, obsolescence or other purposes in respect of any Trust Property in such amounts and by such methods as they determine; to determine what constitutes net earnings, profits or surplus; to determine the method or form in which the accounts and records of the Trust shall be maintained; and to allocate to the shareholders' equity account less than all of the consideration paid for Shares and to allocate the balance to paid-in capital or capital surplus.

(j) Valuation of Property. To determine the value of all or any part of the Trust Property and of any services, Securities, property or other consideration to be furnished to or acquired by the Trust, and to revalue all or any part of the Trust Property, all in accordance with such appraisals or other information as are reasonable, in their sole judgment.

(k) Ownership and Voting Powers. To exercise all of the rights, powers, options and privileges pertaining to the ownership of any Mortgages, Securities, Real Estate and other Trust Property to the same extent that an individual owner might, including without limitation to vote or give any consent, request or notice or waive any notice, either in person or by proxy or power of attorney, which proxies and powers of attorney may be for any general

or special meetings or action, and may include the exercise of discretionary powers.

(l) Officers, Etc.; Delegation of Powers. To elect, appoint or employ such officers for the Trust and such committees of the Board of Trustees with such powers and duties as the Trustees may determine or the Trust's Bylaws provide; to engage, employ or contract with and pay compensation to any Person (including, subject to Section 8.5, any Trustee, any officer, employee or agent of the Trust and any Person who is an Affiliate of any Trustee) as agent, representative, Adviser, member of an advisory board, employee or independent contractor (including advisers, consultants, transfer agents, registrars, underwriters, accountants, attorneys at law, real estate agents, property and other managers, appraisers, brokers, architects, engineers, construction managers, general contractors or otherwise) in one or more capacities, to perform such services on such terms as the Trustees may determine; to delegate to one or more Trustees, officers or other Persons engaged or employed as aforesaid or to committees of Trustees or to the Adviser, the performance of acts or other things (including granting of consents), the making of decisions and the execution of such deeds, contracts or other instruments, either in the names of the Trust, the Trustees or as their attorneys or otherwise, as the Trustees may determine; and to establish such committees as they deem appropriate.

-14-

(m) Reorganization, Etc. Subject to Sections 3.3, 9.2 and 9.3, to cause to be organized or assist in organizing any Person under the laws of any jurisdiction to acquire all or any part of the Trust Property or carry on any business in which the Trust shall have an interest; to merge or consolidate the Trust with any Person; to sell, rent, lease, hire, convey, negotiate, assign, exchange or transfer all or any part of the Trust Property to or with any Person in exchange for Securities of such Person or otherwise; and to lend money to, subscribe for and purchase the Securities of, and enter into any contracts with, any Person in which the Trust holds, or is about to acquire, Securities or any other interests.

(n) Insurance. To purchase, and pay for out of Trust Property, insurance policies insuring the Trust and the Trust Property against any and all risks, and insuring the Shareholders, Trustees, officers, employees and agents of the Trust (or any one or more of them) individually against all claims and liabilities of every nature arising by reason of holding or having held any such status, office or position or by reason of any action alleged to have been taken or omitted (including those alleged to constitute misconduct, gross negligence, reckless disregard of duty or bad faith) by any such Person in such capacity, whether or not the Trust would have the power to indemnify such Person against such claim or liability.

(o) Executive Compensation, Pension and Other Plans. To adopt and implement executive compensation, pension, profit sharing, stock

option, stock bonus, stock purchase, stock appreciation rights, savings, thrift, retirement, incentive or benefit plans, trusts or provisions, applicable to any or all Trustees, officers, employees or agents of the Trust, or to other Persons who have benefitted the Trust, all on such terms and for such purposes as the Trustees may determine. (For purposes of these plans the term "stock" shall refer to Shares or other Securities of the Trust.)

(p) Distributions. To declare and pay dividends or other distributions to Shareholders, subject to the provisions of Section 6.4.

(q) Indemnification. In addition to the indemnification provided for in Section 8.4, to indemnify any Person, including any Adviser or independent contractor, with whom the Trust has dealings.

(r) Charitable Contributions. To make donations for the public welfare or for community, charitable, religious, educational, scientific, civic or similar purposes, regardless of any direct benefit to the Trust.

-15-

(s) Discontinue Operations: Bankruptcy. To discontinue the operations of the Trust (subject to Sections 3.3 and 10.2); to petition or apply for relief under any provision of federal or state bankruptcy, insolvency or reorganization laws or similar laws for the relief of debtors; to permit any Trust Property to be foreclosed upon without raising any legal or equitable defenses that may be available to the Trust or the Trustees or otherwise defending or responding to such foreclosure; to confess judgment against the Trust; or to take such other action with respect to indebtedness or other obligations of the Trustees, in such capacity, the Trust Property or the Trust as the Trustees in their discretion may determine.

(t) Termination of Status. To terminate the status of the Trust as a real estate investment trust under the REIT Provisions of the Code.

(u) Fiscal Year. Subject to the Code, to adopt, and from time to time change, the fiscal year of the Trust.

(v) Seal. To adopt and use a seal, provided that the use of a seal shall not be required for the execution of instruments or obligations of the Trust.

(w) Bylaws. To adopt, implement and, from time to time, amend Bylaws of the Trust relating to the business and organization of the Trust which are not inconsistent with the provisions of this Declaration of Trust.

(x) Voting Trust. To participate in and accept Securities issued under, or subject to, any voting trust.

(y) Proxies. To solicit proxies of the Shareholders at

the expense of the Trust.

(z) Further Powers. To do all acts and things and execute and deliver all instruments incident to the foregoing powers, and to exercise all powers which they deem necessary, useful or desirable to carry on the business of the Trust or to carry out the provisions of this Declaration of Trust, even if such powers are not specifically provided hereby.

Section 3.3 Restrictions on Powers and Authority. Notwithstanding any other provision of this Declaration of Trust and any provision of law that otherwise so empowers the Trust, the Trust shall not, without the approval of a majority of the Board of Trustees of the Trust institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition or answer or consent seeking reorganization or relief under the Federal bankruptcy laws, or consent

-16-

to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, conservator sequestrator (or any other similar official) of the Trust or of any substantial part of the Trust's property, or make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take corporate action in furtherance of any such action. The Trust shall not, for so long as any Bonds are outstanding, without the prior written consent of the nationally-recognized statistical rating agency or agencies which rate such Bonds, do any of the following:

- (i) dissolve or liquidate, in whole or in part;
- (ii) merge or consolidate with any other corporation or association other than a corporation wholly owned, directly or indirectly, by any entity owning 100% of the voting stock of the Trust and having a certificate of incorporation or other organizational document containing provisions identical to the provisions of Sections 1.5, 2.1 and this Section 3.3;
- (iii) sell all or substantially all of the assets of the Trust; and
- (iv) amend this Declaration of Trust to alter in any manner or delete Sections 1.5, 2.1, 7.1 or this Section 3.3.

ARTICLE IV

ADVISER

Section 4.1 Appointment. The Trustees are responsible for setting the general policies of the Trust and for the general supervision of its business conducted by officers, agents, employees, advisers or independent contractors of the Trust. However, the Trustees are not required personally to conduct the business of the Trust, and they may (but need not) appoint, employ or contract with any Person (including a Person Affiliated with any Trustee) as an Adviser and may grant or delegate such authority to the Adviser as the Trustees may, in their sole discretion, deem necessary or desirable. The Trustees may determine the terms of retention and the compensation of the Adviser and may exercise broad discretion in allowing the Adviser to administer and regulate the operations of the Trust, to act as agent for the Trust, to execute documents on behalf of the Trust and to make executive decisions which conform to general policies and principles established by the Trustees.

-17-

Section 4.2 Affiliation and Functions. The Trustees, by resolution or in the Bylaws, may provide guidelines, provisions, or requirements concerning the action and functions of the Adviser.

ARTICLE V INVESTMENT POLICY

The fundamental investment policy of the Trust is to make investments in such a manner as to comply with the REIT Provisions of the Code and with the requirements of the Maryland REIT law, with respect to the composition of the Trust's investments and the derivation of its income. Subject to Section 3.2(t), the Trustees will use their best efforts to carry out this fundamental investment policy and to conduct the affairs of the Trust in such a manner as to continue to qualify the Trust for the tax treatment provided in the REIT Provisions of the Code; however, no Trustee, officer, employee or agent of the Trust shall be liable for any act or omission resulting in the loss of tax benefits under the Code, except to the extent provided in Section 8.2. The Trustees may change from time to time, by resolution or in the Bylaws of the Trust, such investment policies as they determine to be in the best interests of the Trust, including prohibitions or restrictions upon certain types of investments.

ARTICLE VI SHARES

Section 6.1 Authorized Shares. The total number of shares of beneficial interest which the Trust is authorized to issue is 200,200 shares, all of which shall be common shares ("Common Shares"). Of the 200,200 shares designated as Common Shares, 200,000 shall be designated Class A Trust Shares,

par value \$1.00 per share, and 200 shall be designated Class B Trust Shares, par value \$10,000 per share. The Class A Trust Shares and the Class B Trust Shares shall have varying rights and preferences as described in Section 6.2. The Board of Trustees shall have the power from time to time, (a) to classify or reclassify, in one or more series, any unissued Common Shares and (b) to reclassify any unissued Common Shares of any series, in the case of either (a) or (b) by setting or changing the number of shares constituting such series and the designation, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of such shares; and, in such event, the Trust shall file for record with the State Department of Assessments and Taxation of Maryland articles supplementary in substance and form as prescribed by the Maryland REIT Law. Shares may be issued for such consideration as the Trustees determine, or if issued as a result of a Share dividend or Share split, without any consideration, in which case all Shares so issued shall be fully paid and non-assessable by the Trust.

-18-

Section 6.2 Common Shares.

(a) Class A Trust Shares. The Class A Trust Shares shall be entitled to the following rights and preferences:

(i) Dividend Rights. Subject to the preferential dividend rights of the Class B Trust Shares, the holders of Class A Trust Shares shall be entitled to receive such dividends as may be declared by the Board of Trustees.

(ii) Rights Upon Liquidation. Subject to the preferential rights of the Class B Trust Shares, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Trust, each holder of Class A Trust Shares or Excess Class A Trust Shares shall receive out of the net assets of the Trust all assets of the Trust available for distribution to the holders of Common Shares or Excess Common Shares so long as the net assets of the Trust exceed \$10,000 per Class B Trust Share outstanding; thereafter, the holders of Class A Trust Shares shall receive a distribution of any assets available for distribution after any Class B Trust Share liquidating distributions; provided, however, that if any distributions in respect of Excess Class A Trust Shares exceed the Market Price (as defined in Section 6.5) of the Class A Trust Shares converted into such Excess Class A Trust Shares on the date of such conversion, then the cumulative amounts distributable in respect of such Excess Class A Trust Shares shall not exceed an amount equal to such Market Price, and the excess shall be distributed to the holders of Class A Trust Shares other than the Excess Class A Trust Shares.

(iii) Voting Rights. The holders of Class A Trust Shares shall be entitled to vote on all matters (for which a common shareholder

shall be entitled to vote thereon) at all meetings of the shareholders of the Trust, and shall be entitled to one vote for each Class A Trust Share entitled to vote at such meeting.

(b) Class B Trust Shares. The Class B Trust Shares shall be entitled to the following rights and preferences:

(i) Dividend Rights. The holders of Class B Trust Shares shall be entitled to receive a stated cumulative dividend established by the Board of Trustees based upon a market rate to be determined at the time of issuance.

(ii) Rights Upon Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Trust, each holder of Class B Trust Shares or Excess Class B Trust Shares shall be entitled to receive out of the net assets

-19-

of the Trust upon liquidation a stated distribution of \$10,000 plus any accumulated but unpaid dividends for each share of their holdings of Class B Trust Shares or Excess Class B Trust Shares.

(iii) Voting Rights. The holders of Class B Trust Shares shall not be entitled to vote on any matters.

Section 6.3 Dividends or Distributions. The Board of Trustees may from time to time declare, designate and pay to Shareholders such dividends or distributions in cash, property or other assets of the Trust or in Securities of the Trust or from any other source as the Board of Trustees in their discretion shall determine. The Board of Trustees shall endeavor to declare, designate and pay such dividends and distributions as shall be necessary for the Trust to qualify as a real estate investment trust under the REIT Provisions of the Code; however, Shareholders shall have no right to any dividend or distribution unless and until declared by the Board of Trustees. The exercise of the powers and rights of the Board of Trustees pursuant to this Section shall be subject to the provisions of any class or series of Shares at the time outstanding. The receipt of dividends or distributions by any Person in whose name any Shares are registered on the records of the Trust or by his duly authorized agent shall be a sufficient discharge for all dividends or distributions payable or deliverable in respect of such Shares and from all liability to see to the application thereof.

Section 6.4 General Nature of Shares. All Shares shall be personal property entitling the Shareholders only to those rights provided in this Declaration of Trust or in the resolution creating any class or series of Shares and as provided by law. The legal ownership of the Trust Property and the right to conduct the business of the Trust are vested exclusively in the Trustees; the Shareholders shall have no interest therein other than a beneficial interest in the Trust conferred by their Shares and shall have no right to compel any

partition, division, dividend or distribution of the Trust or any of the Trust Property. The death of a Shareholder shall not terminate the Trust or give his legal representative, heirs or legatees any rights against other Shareholders, the Trustees or the Trust Property, except the right, exercised in accordance with applicable provisions of the Bylaws, to receive a new certificate for Shares in exchange for the certificate held by the deceased Shareholder. Neither the Trust nor the Trustees, nor any officer, employee or agent of the Trust shall have any power to bind any Shareholder or Trustee personally or to call upon any Shareholder for the payment of any sum of money or assessment whatsoever other than such as the Shareholder at any time personally may agree to pay by way of subscription for any Shares or otherwise.

-20-

Section 6.5 Restrictions on Ownership and Transfer; Excess Shares.

(a) Definitions. For the purposes of Sections 6.5, 6.6, 6.7 and 6.8, the following terms shall have the following meanings:

"Adoption Date" shall mean the effective date of the Trust.

"Beneficial Ownership" shall mean ownership of Shares either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

"Beneficial Ownership Limit" shall mean Beneficial Ownership of a number of Shares equal to the Ownership Limit.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Common Equity Shares" shall mean outstanding Shares that are either Class A Trust Shares, Class B Trust Shares, Excess Class A Trust Shares or Excess Class B Trust Shares.

"Constructive Ownership" shall mean ownership of Shares either directly or constructively through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings.

"Constructive Ownership Limit" shall mean Constructive Ownership of a number of Shares equal to the Ownership Limit.

"Excess Shares" shall mean Shares owned in excess of an applicable Ownership Limit (rounded up to the nearest whole Share) which are automatically transferred to the Special Trust in accordance with Section 6.5(c) hereof.

"Market Price" shall mean the last reported sales price reported on the stock exchange on which the Shares of the relevant class are listed or regularly traded, on the trading day immediately preceding the relevant date, or if the Shares of the relevant class are not then traded on a stock exchange, the last reported sales price of Shares of the relevant class on the trading day immediately preceding the relevant date as reported on any quotation system on which the Shares of the relevant class may be traded, or if

-21-

the Shares of the relevant class are not then traded over any quotation system, then the market price of the Shares of the relevant class on the relevant date as determined in good faith by the Board of Trustees of the Trust.

"Ownership Limit" shall mean Beneficial or Constructive Ownership of 9.9%, in number or value, either of all outstanding Shares or of a class of outstanding Shares of the Trust. For purposes of calculating the Ownership Limit, (i) all rights to acquire Shares of any class, and all Securities convertible into or exchangeable for Securities of any class, which are held by such Shareholder shall be deemed to have been exercised, converted or exchanged, as the case may be, and shall be counted in calculating whether the Ownership Limit has been reached; and (ii) Shares not owned directly shall be deemed to be owned indirectly by a person if that person or a group of which he is a member would be the beneficial owner of such Shares, as defined in Rule 13d-3 under the Securities Exchange Act of 1934, and/or would be considered to own such Shares by reason of the REIT Provisions of the Code.

"Person" shall mean an individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity or any government or agency or political subdivision thereof and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

"Prohibited Transfer" shall mean a Transfer of a nature described in Section 6.5(b) hereof.

"Purported Beneficial Holder" shall mean, with respect to any event other than a purported Transfer which results in Excess Shares, the person for whom the Purported Record Holder of the Shares that were, pursuant to Section 6.5(c), automatically exchanged for Excess Shares upon the occurrence of such event held such Shares.

"Purported Beneficial Transferee" shall mean, with respect to any purported Transfer which results in Excess Shares, the purported beneficial transferee for whom the Purported Record Transferee would have acquired Shares, if such Transfer had been valid under Section 6.5(b).

"Purported Record Holder" shall mean, with respect to any purported Transfer which results in Excess Shares, the record holder of the Shares if such Transfer had been valid under Section 6.5(b).

-22-

"REIT" shall mean a real estate investment trust under Section 856 of the Code.

"Special Trust" shall mean the trust created pursuant to Section 6.7(a).

"Subsidiary" shall mean any corporation, partnership, trust or other association (other than the Trust) of which NationsBank Corporation possesses, directly or indirectly, at least 80% of the total voting power and has an ownership interest that has a value equal to at least 80% of the total ownership of such corporation, partnership, trust or other association.

"Tenant" shall mean any Person that leases (or subleases) real property of the Trust.

"Transfer" shall mean any sale, transfer, gift, assignment, devise or other disposition of Shares or any other transaction (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Shares or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Shares), whether voluntary or involuntary, whether of record or beneficial and whether by operation of law or otherwise.

"Trustee" shall mean, for purposes of Article VI only, the Trust as trustee for the Special Trust, and any successor trustee appointed by the Trust.

(b) Restrictions on Ownership and Transfer. The following restrictions and rules apply to the ownership and transfer of Shares at any and all times that the Trust intends to qualify as a REIT for Federal income tax purposes, and shall become effective as of the Adoption Date; provided that, such restrictions shall not apply to the transfer of shares to NationsBank Corporation or any Subsidiary thereof or any other entity that the Board of Trustees, in its sole discretion, shall designate:

(1) Except as provided in Section 6.5(i), no Person shall Beneficially or Constructively Own any Shares in excess of the applicable Ownership Limit.

(2) No Transfer shall be effected (directly or indirectly, by operation of law or otherwise) by any Person which, if effective, would result in the Beneficial or Constructive Ownership by any Person in excess of the applicable Ownership Limit.

(3) No Transfer shall be effected (directly or indirectly, by operation of law or otherwise) which, if effective, would result in the Shares being beneficially owned by fewer than 100 Persons (determined without reference to any rules of attribution), or would result in the Trust being "closely held" within the meaning of Section 856(h) of the Code (a "Prohibited Transfer").

(4) Any Person attempting to make any Transfer shall first ascertain that such Transfer is not a Prohibited Transfer. Any Prohibited Transfer or other event which, if effective, would result in the Shares being Beneficially Owned by fewer than 100 persons, or would result in the Trust being "closely held", shall be void ab initio and of no force or effect, and the transferor or original owner shall automatically retain ownership of such Shares notwithstanding any purported assignment or transfer on the books of the Trust.

(5) No transfer shall be effected (directly or indirectly, by operation of law or otherwise) while any Bonds are outstanding without the prior consent of the nationally recognized statistical rating agency or agencies which rate such Bonds if as a result of such Transfer an entity which Beneficially or Constructively Owned less than 49% of the capital stock of the Trust would as a result of the contemplated transfer Beneficially or Constructively Own greater than 49% of the capital stock of the Trust.

(c) Conversion to Excess Shares.

(1) In the event of any purported Prohibited Transfer, such Transfer shall be void ab initio as to the purported Transfer of the Excess Shares and the intended transferee shall acquire no rights to such Excess Shares. Instead, such Excess Shares shall be automatically transferred to the Special Trust pursuant to Section 6.7 hereof, effective as of the close of business on the business day prior to the date of the purported Transfer.

(2) If any Person other than NationsBank Corporation or any Subsidiary thereof (a "Purchaser") purchases or otherwise acquires an interest in a Person (other than NationsBank Corporation or any Subsidiary) which Beneficially or Constructively Owns Shares (a "Purchase") and, as a result, the Purchaser would Beneficially or Constructively Own Shares in excess of the applicable Ownership Limit, then such Excess Shares shall be automatically transferred to the Special Trust pursuant to Section 6.7 hereof effective as of the close of business on the business day prior to the date of the Purchase. In determining which Shares shall be the Excess Shares, Shares of the relevant class Beneficially or Constructively Owned by the Purchaser prior

to the Purchase shall be treated as Excess Shares before any Shares Beneficially

or Constructively Owned by the Person as a result of the Purchase are so treated.

(3) If there is a redemption, repurchase, restructuring or similar transaction with respect to a Person other than NationsBank Corporation or any Subsidiary thereof that Beneficially or Constructively Owns Shares (the "Entity") and, as a result, a person holding an interest in the Entity would Beneficially or Constructively Own Shares in excess of the applicable Ownership Limit, then such Excess Shares shall be automatically transferred to the Special Trust pursuant to section 6.7 hereof effective as of the close of business on the business day prior to the date of the redemption, repurchase, restructuring or similar transaction. In determining which Shares shall be the Excess Shares, Shares of the relevant class Beneficially Or Constructively Owned by the Entity shall be treated as Excess Shares before any Shares Beneficially or Constructively Owned by the Person holding an interest in the Entity (independently of such Person's interest in the Entity) are so treated.

(4) In addition, if a Person other than NationsBank Corporation or any Subsidiary thereof (the "nonreporting Person") who Beneficially Owns more than 9.9% of the outstanding Shares, in the aggregate or of any class, on the Adoption Date does not provide all of the information required by Section 6.5(f)(2) hereof and, as a result, five or fewer Persons would, but for the transfer required by this paragraph, Beneficially Own, in the aggregate, more than 49.9% of the outstanding Shares, either in the aggregate or of any class, then, as of the day prior to the date on which such aggregate ownership would have come to exceed 49.9%, Shares Beneficially Owned by such nonreporting Person in excess of 9.9% of the outstanding Common Equity Shares, to the extent not described on the written notice, if any, provided by such nonreporting Person pursuant to Section 6.5(f)(2) hereof, shall be Excess Shares automatically transferred to the Special Trust pursuant to Section 6.7 hereof to the extent necessary to prevent such aggregate ownership from exceeding 49.9%.

(5) If an event other than an event described in this Section 6.5(c) occurs which would, if effective, result in any Person other than NationsBank Corporation or any Subsidiary thereof Beneficially or Constructively Owning Shares in excess of the applicable Ownership Limit, then such Excess Shares shall be automatically transferred to the Special Trust pursuant to Section 6.7 hereof effective as of the close of business on the business day prior to the date of the event.

(d) Remedies For Breach. If the Board of Trustees or its designees shall at any time determine in good faith that a Transfer has taken place in violation of Section 6.5(b) or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any Shares in violation of Section 6.5(b) (determined without reference to any rules of attribution), the Board of Trustees or its designees shall take such action as it deems advisable to refuse to give effect or to prevent such Transfer (or any Transfer related to such intent), including, but not limited to, refusing to give effect to such Transfer on the books of the Trust or instituting proceedings to enjoin such Transfer; provided, however,

that any Transfers or attempted Transfers in violation of Section 6.6(b) shall automatically result in the transfer of Shares to the Special Trust as described in Section 6.5(c), irrespective of any action (or non-action) by the Board of Trustees.

(e) Notice of Ownership or Attempted Ownership in Violation of Section 6.5(b). Any Person other than NationsBank Corporation or any Subsidiary thereof who acquires or attempts to acquire Beneficial or

-25-

Constructive Ownership of Shares in violation of Section 6.5(b), shall immediately give written notice to the Trust of such event and shall provide to the Trust such other information as the Trust may request in order to determine the effect, if any, of such acquisition or attempted acquisition on the Trust's status as a REIT.

(f) Owners Required to Provide Information.

(1) At all times that the restrictions and rules set forth herein are in effect:

(a) every Beneficial Owner of Shares other than NationsBank Corporation or any Subsidiary thereof in excess of the Beneficial Ownership Limitation shall, within 30 days after January 1 of each year, give written notice to the Trust stating the name and address of such Beneficial Owner, the number of Shares Beneficially Owned, and a description of how such Shares are held. Each such Beneficial Owner shall provide to the Trust such additional information as the Trust may request in order to determine the effect, if any, of such Beneficial Ownership on the Trust's status as a REIT.

(b) each Person other than NationsBank Corporation or any Subsidiary thereof who is a Beneficial Owner or Constructive Owner of Shares and each Person (including the shareholder of record) who is holding Shares for a Beneficial Owner or Constructive Owner shall provide to the Trust such information as the Trust may request, in good faith, in order to determine the Trust's status as a REIT or to comply

-26-

with regulations promulgated under the REIT provisions of the Code.

(2) every Beneficial Owner other than

NationsBank Corporation or any Subsidiary thereof of Shares in excess of the Beneficial Ownership Limitation on the Adoption Date shall, within 60 days of the Adoption Date, give written notice to the Trust, and shall deliver to the Trust a form which will be made available to such Person after such notice is given, stating the name and address of such Beneficial Owner, the number of Shares Beneficially Owned, and a description of how such Shares are held.

(g) Remedies Not Limited. Nothing contained in this Article VI shall limit the authority of the Board of Trustees to take such other action as it deems necessary or advisable to protect the Trust and the interests of its Shareholders by preservation of the Trust's status as a REIT.

(h) Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Article VI, including any definition contained in Section 6.5(a) and any ambiguity with respect to which Shares are to be exchanged for Excess Shares in a given situation, the Board of Trustees shall have the power to determine the application of the provisions of this Article VI with respect to any situation based on the facts known to it.

(i) Exceptions. The Board of Trustees, with a ruling from the Internal Revenue Service or an opinion of counsel, may exempt a Person from the Ownership Limit with respect to any Shares if such Person is not an individual for purposes of Section 542(a)(2) of the Code and the Board of Trustees obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficial Ownership of such Shares will violate the Ownership Limit, and such Person agrees that any violation or attempted violation will result in, to the extent necessary, the transfer of such Shares to the Special Trust in accordance with Section 6.5(c). The Ownership Limit shall not apply to an underwriter which participates in a public offering of Shares for a period of 25 days following the purchase by such underwriter of those Shares.

Section 6.6 Legend. Each certificate for Shares shall bear a legend substantially in the following form:

"No Person may Beneficially Own or Constructively Own Shares in excess of 9.9% of the outstanding Shares of the Trust, either in the aggregate or of any class, provided that such restriction shall not apply to NationsBank Corporation or any Subsidiary thereof. Any Person who attempts to Beneficially Own or

-27-

Constructively Own Shares in excess of the above limitations must immediately notify the Trust. All capitalized terms used in this legend have the meanings set forth in the Declaration of Trust, a copy of which, including the restrictions on ownership and transfer, will be sent without charge to each shareholder who so requests in writing. If the restrictions on ownership and transfer are violated, the Shares represented hereby will be deemed Excess Shares and will be automatically transferred to and be held in a Special Trust

by the Trust."

Section 6.7 Excess Shares.

(a) Ownership in Trust. Upon any event that results in the conversion of Shares into Excess Shares pursuant to Section 6.5(c), such Excess Shares shall be deemed to have been transferred to the Trust, as Trustee of a Special Trust for the exclusive benefit of the next permissible charitable organization listed in Schedule A hereto and described in Section 170(b)(1)(A)(vi) and 170(c) of the Code, in a manner which ensures compliance with Sections 856(a)(5) and 856(a)(6) of the Code (the "Designated Charities"). The Purported Beneficial Transferee shall have no rights in such Excess Shares.

(1) The Trust, as Trustee of the Special Trust, may transfer the shares held in such trust to a Person whose ownership of the shares will not result in a violation of the ownership restrictions (a "Permitted Transferee"). If such a transfer is made, the interest of the Designated Charities will terminate and proceeds of the sale will be payable to the Purported Beneficial Transferee and to the Designated Charities. The Purported Beneficial Transferee will receive the lesser of (1) the price paid by the Purported Beneficial Transferee for the shares or, if the Purported Beneficial Transferee did not give value for the shares, the Market Price of the shares on the day of the event causing the shares to be held in trust, and (2) the price per share received by the Trust, as Trustee, from the sale or other disposition of the shares held in trust. The Designated Charities will receive any proceeds in excess of the amount payable to the Purported Beneficial Transferee. The Purported Beneficial Transferee will not be entitled to designate a Permitted Transferee.

(2) All shares held in the Special Trust will be deemed to have been offered for sale to the Trust or its designee for a 90-day period, at the lesser of the price paid for those shares by the Purported Beneficial Transferee and the Market Price on the date that the Trust accepts the offer. This period will commence on the date of the prohibited transfer, if the Purported Beneficial Transferee gives notice to the Trust of the transfer, or the date that the Board of Directors of the Trust determines that a violative transfer occurred, if no such notice is provided.

-28-

(3) Any dividend or distribution paid prior to the discovery by the Trust that Shares have been transferred in violation of the transfer restriction, shall be repaid to the Trust upon demand and shall be held in trust for the Designated Charities. Any dividend or distribution declared but unpaid shall be rescinded as void ab initio with respect to such Shares.

(b) Rights Upon Liquidation. In the event of any voluntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Trust, the Designated Charities as the holder of the Excess Class A Shares or Excess Class B Shares shall be entitled to receive that portion of

the assets which a holder of the Class A Trust Shares or Class B Trust Shares would have been entitled to receive had such Common Shares remained outstanding, subject to the preferences stated in Sections 6.2(a)(ii) and 6.2(b)(ii).

(c) The Purported Beneficial Transferee will not be entitled to vote any Shares it attempts to acquire, and any shareholder vote will be rescinded if a Purported Beneficial Transferee votes and the shareholder vote would have been decided differently if such Purported Beneficial Transferee's vote was not counted.

Section 6.8 Severability. If any provision of this Article VI or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

Section 6.9 Stock Exchange Transactions. Nothing in this Article VI, shall preclude the settlement of any transaction entered into through the facilities of any stock exchange on which the Shares are listed.

ARTICLE VII SHAREHOLDERS

Section 7.1 Meetings of Shareholders. There shall be an annual meeting of the Shareholders, to be held at such time following the delivery of the annual report to Shareholders, and at such place as shall be determined by or in the manner prescribed in the Bylaws, at which the Trustees shall be elected and any other business which may properly come before the meeting may be transacted. Meetings of the shareholders of the Trust shall be held not less frequently than one time per annum. Except as otherwise provided in this Declaration of Trust, special meetings of Shareholders may be called in the manner provided in the Bylaws. If there are no Trustees, the officers of the Trust shall promptly call

-29-

a special meeting of the Shareholders entitled to vote for the election of Trustees at which meeting successor Trustees shall be elected. Any meeting may be adjourned and reconvened as the Trustees determine or as provided in the Bylaws.

Section 7.2 Voting Rights of Shareholders. Subject to the provisions of any class or series of Shares then outstanding, the Shareholders shall be entitled to vote only on the following matters: (a) election or removal of Trustees as provided in Sections 7.1 and 2.3; (b) amendment of this Declaration of Trust as provided in Section 9.1; (c) termination of the Trust as provided in Section 10.2; (d) reorganization of the Trust as provided in Section 9.2; and

(e) merger, consolidation or share exchange of the Trust, or the sale or disposition of all or substantially all of the Trust Property, as provided in Section 9.3. Except with respect to the foregoing matters, no action taken by the Shareholders at any meeting shall in any way bind the Trustees.

ARTICLE VIII
LIABILITY OF SHAREHOLDERS, TRUSTEES, OFFICERS,
EMPLOYEES AND AGENTS AND TRANSACTIONS
BETWEEN THEM AND THE TRUST

Section 8.1 Limitation of Shareholder Liability. No Shareholder shall be liable for any debt, claim, demand, judgment or obligation of any kind, of, against or with respect to the Trust solely by reason of his or her being a Shareholder, nor shall any Shareholder be subject to any personal liability whatsoever, whether in tort, contract or otherwise, to any Person in connection with the Trust Property or the affairs of the Trust solely by reason of his or her being a Shareholder.

Section 8.2 Limitation of Trustee and Officer Liability. To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of trustees and officers of a real estate investment trust, no Trustee or officer of the Trust shall be liable to the Trust or to any Shareholder for money damages. Neither the amendment nor repeal of this Section, nor the adoption or amendment of any other provision of this Declaration of Trust inconsistent with this Section, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption. In the absence of any Maryland statute limiting the liability of trustees and officers of a Maryland real estate investment trust for money damages in a suit by or on behalf of the Trust or by any Shareholder, no Trustee or officer of the Trust shall be liable to the Trust or to any Shareholder for money damages except to

-30-

the extent that (i) the Trustee or officer actually received an improper benefit in money, property, or services, for the amount of the benefit or profit in money, property, or services actually received; or (ii) a judgment or other final adjudication adverse to the Trustee or officer is entered in a proceeding based on a finding in the proceeding that the Trustee's or officer's action or failure to act was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding.

Section 8.3 Express Exculpatory Clauses in Instruments. Neither the Shareholders nor the Trustees, officers, employees or agents of the Trust shall be liable under any written instrument creating an obligation of the Trust, and all Persons shall look solely to the Trust Property for the payment of any claim under or for the performance of that instrument. The omission of the foregoing exculpatory language from any instrument shall not affect the validity or enforceability of such instrument and shall not render any Shareholder, Trustee,

officer, employee or agent liable thereunder to any third party, nor shall the Trustees or any officer, employee or agent of the Trust be liable to anyone for such omission.

Section 8.4 Indemnification. The Bylaws of the Trust shall require that, to the maximum extent permitted by Maryland law, the Trust shall indemnify, and pay reasonable expenses to, as such expenses are incurred by, each Shareholder, Trustee, officer, employee or agent (including any person who, while a Trustee of the Trust, is or was serving at the request of the Trust as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employee benefit plan) from all claims and liabilities to which such person may become subject by reason of his being or having been a Shareholder, Trustee, officer, employee or agent.

Section 8.5 Transactions Between the Trust and its Trustees, Officers, Employees and Agents. Subject to any express restrictions in this Declaration of Trust or adopted by the Trustees in the Bylaws or by resolution, the Trust may enter into any contract or transaction of any kind (including without limitation for the purchase or sale of property or for any type of services, including those in connection with underwriting or the offer or sale of Securities of the Trust) with any Person, including any Trustee, officer, employee or agent of the Trust or any Person Affiliated with a Trustee, officer, employee or agent of the Trust, whether or not any of them has a financial interest in such transaction. Notwithstanding the foregoing, the Bylaws shall establish reasonable procedures for screening transactions with Trustees, officers, employees and agents and Persons Affiliated with any of the foregoing.

-31-

ARTICLE IX
AMENDMENT; MERGER, ETC.

Section 9.1 Amendment.

(a) Subject to the limitations in subsection (b) of this Section 9.1, subsection (e) of Section 3.2 and subsection (v) of Section 3.3, this Declaration of Trust may be amended by the affirmative vote of the holders of not less than two-thirds of the Shares then outstanding and entitled to vote thereon.

(b) Notwithstanding the foregoing, the Trustees, by a two-thirds vote, may amend provisions of this Declaration of Trust from time to time to enable the Trust to qualify as a real estate investment trust under the REIT Provisions of the Code or under the Maryland REIT Law.

(c) An amendment to this Declaration of Trust shall become effective as provided in Section 11.5.

(d) This Declaration of Trust may not be amended except as provided in this Section 9.1.

Section 9.2 Reorganization. Subject to the provisions of any class or series of Shares at the time outstanding and Section 3.3 hereof, the Trustees shall have the power to (a) cause the organization of a corporation, association, trust or other entity to take over the Trust Property and carry on the affairs of the Trust; (b) merge the Trust into, or sell, convey and transfer the Trust Property to, any such corporation, association, trust or entity in exchange for Securities thereof or beneficial interests therein, and the assumption by the transferee of the liabilities of the Trust; and (c) thereupon terminate the Trust and deliver such Securities or beneficial interests ratably among the Shareholders according to the respective rights of the class or series of Shares held by them; provided that any such action shall have been approved, at a meeting of the Shareholders called for the purpose, by the affirmative vote of the holders of not less than two-thirds of the Shares then outstanding and entitled to vote thereon.

Section 9.3 Merger, Consolidation or Sale of Trust Property. Subject to the provisions of any class or series of Shares at the time outstanding and Section 3.3 hereof, the Trustees shall have the power to (a) merge the Trust into

-32-

another entity, (b) consolidate the Trust with one or more other entities into a new entity or (c) sell or otherwise dispose of all or substantially all of the Trust Property; provided, that such action shall have been approved, at a meeting of the Shareholders called for the purpose, by the affirmative vote of the holders of not less than two-thirds of the Shares then outstanding and entitled to vote thereon. However, subject to Section 3.3, if a merger or consolidation does not result in a reclassification or other change in the outstanding Shares or in an amendment to the Declaration of Trust, and the number of Shares to be issued or delivered in the merger is not more than fifteen percent (15%) of the number of Shares of the same class or series already outstanding immediately prior to the effective date of the merger or consolidation, then such merger shall only require the approval of a majority of the Board of Trustees of a successor Maryland real estate investment trust.

Section 9.4 Business Combinations with Interested Shareholders. Pursuant to Section 3-603(e)(1)(iii) of Title 3 of the Corporations and Associations Article of the Annotated Code of Maryland, the Trust hereby elects that the provisions of Section 3-603 and any successor provision of that same article, limiting the ability of corporations and associations under Maryland to engage in transactions with affiliates and interested shareholders, shall not apply to the Trust.

Section 9.5 Acquisition of Control Shares. Notwithstanding any other provision of this Declaration of Trust, the Trust hereby elects that the provision of Section 3-702 of any successor provisions relating to the

acquisition of control shares, shall not apply to any acquisition by any person of shares of beneficial interest in the Trust.

-33-

ARTICLE X
DURATION AND TERMINATION OF TRUST

Section 10.1 Duration of Trust. The Trust shall continue perpetually unless terminated pursuant to Section 10.2 or pursuant to any applicable provision of the Maryland REIT Law.

Section 10.2 Termination of Trust.

(a) Subject to the provisions of any class or series of Shares at the time outstanding and Section 3.3 hereof, the Trust may be terminated at any meeting of Shareholders called for that purpose, by the affirmative vote of the holders of not less than two-thirds of the Shares outstanding. Upon the termination of the Trust:

(i) The Trust shall carry on no business except for the purpose of winding up its affairs.

(ii) The Trustees shall proceed to wind up the affairs of the Trust and all of the powers of the Trustees under this Declaration of Trust shall continue, including the power to fulfill or discharge the Trust's contracts, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Trust Property to one or more Persons at public or private sale for consideration which may consist in whole or in part of cash, Securities or other property of any kind, discharge or pay its liabilities and do all other acts appropriate to liquidate its business.

(iii) After paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and agreements as they deem necessary for their protection, the Trustees may distribute the remaining Trust Property, in cash or in kind or partly each, among the Shareholders in accordance with the terms of Section 6.2 and Section 6.3.

(b) After termination of the Trust, the liquidation of its business, and the distribution to the Shareholders as herein provided, a majority of the Trustees shall execute and file with the Trust's records a document certifying that the Trust has been duly terminated, and the Trustees shall be discharged from all liabilities and duties hereunder, and the rights and interests of all Shareholders shall cease.

ARTICLE XI
MISCELLANEOUS

32

Section 11.1 Governing Law. This Declaration of Trust is executed by the undersigned Trustees and delivered in the State of Maryland with reference to the laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of Maryland without regard to conflicts of laws provisions thereof.

Section 11.2 Reliance by Third Parties. Any certificate shall be final and conclusive as to any Persons dealing with the Trust if executed by an individual who, according to the records of the Trust or of any recording office in which this Declaration of Trust may be recorded, appears to be the Secretary or any Assistant Secretary of the Trust or a Trustee, and if certifying to: (a) the number or identity of Trustees, officers of the Trust or Shareholders; (b) the due authorization of the execution of any document; (c) the action or vote taken, and the existence of a quorum, at a meeting of Trustees or Shareholders; (d) a copy of this Declaration or of the Bylaws as a true and complete copy as then in force; (e) an amendment to this Declaration; (f) the termination of the Trust; or (g) the existence of any fact or facts which relate to the affairs of the Trust. No purchaser, lender, transfer agent or other Person shall be bound to make any inquiry concerning the validity of any transaction purporting to be made on behalf of the Trustees or by any officer, employee or agent of the Trust.

Section 11.3 Provisions in Conflict with Law or Regulations.

(a) The provisions of this Declaration of Trust are severable, and if the Trustees shall determine, with the advice of counsel, that any one or more of such provisions (the "Conflicting Provisions") are in conflict with the REIT Provisions of the Code, the Maryland REIT Law or other applicable federal or state laws, the Conflicting provisions shall be deemed never to have constituted a part of this Declaration of Trust, even without any amendment of this Declaration pursuant to Section 9.1; provided, however, that such determination by the Trustees shall not affect or impair any of the remaining provisions of this Declaration of Trust or render invalid or improper any action taken or omitted prior to such determination. No Trustee shall be liable for making or failing to make such a determination.

(b) If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such holding shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

Section 11.4 Construction. In this Declaration of Trust, unless the context otherwise requires, words used in the singular or in the plural include both the plural and singular and words denoting any gender include all genders. The title and headings of different parts are inserted for convenience and shall not affect the meaning, construction or effect of this Declaration. In defining or interpreting the powers and duties of the Trust and its Trustees and officers, reference may be made, to the extent appropriate and not inconsistent with the Code or the Maryland REIT Law, to Titles 1 through 3 of the Corporations and Associations Article of the Annotated Code of Maryland. In furtherance and not in limitation of the foregoing, in accordance with the provisions of Title 3, Subtitles 6 and 7, of the Corporations and Associations Article of the Annotated Code of Maryland, the Trust shall be included within the definition of "corporation" for purposes of such provisions.

Section 11.5 Recordation. This Declaration of Trust and any amendment hereto shall be filed for record with the State Department of Assessments and Taxation of Maryland and may also be filed or recorded in such other places as the Trustees deem appropriate; however, failure to file or record this Declaration or any amendment hereto in any office other than in the State Department of Assessments and Taxation of Maryland shall not affect or impair the validity or effectiveness of this Declaration or any amendment hereto. A restated Declaration shall, upon filing, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original Declaration and the various amendments thereto.

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IN WITNESS WHEREOF, this Declaration of Trust has been executed on October 24, 1996, by the undersigned Trustees, each of whom acknowledges that this document is his act, that to the best of his knowledge, information, and belief, the matters and facts set forth herein are true in all material respects and that this statement is made under the penalties for perjury. This Declaration of Trust may be executed in one or more counterparts, and each such counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

/s/ G. Patrick Phillips

/s/ John E. Mack
John E. Mack

/s/ William L. Maxwell
William L. Maxwell

/s/ James H. Luther
James H. Luther

MAIN PLACE REAL ESTATE INVESTMENT TRUST
DECLARATION OF TRUST
SCHEDULE A

1. United Way of Delaware (Wilmington, DE)
2. United Way of Hernando County (Brooksville, FL)
3. United Way of Brevard County, Inc. (Cocoa, FL)
4. United Way of Volusia Co. (Daytona Beach, FL)
5. United Way of Alachua (Gainesville, FL)
6. United Way of Central Florida (Highland City, FL)
7. United Way of Northeast Florida (Jacksonville, FL)
8. United Way of Monroe Co. (Key West, FL)
9. United Way of Citrus County (Lecanto, FL)
10. United Way of Lake and Sumter County (Leesburg, FL)
11. United Way/Santa Rosa (Milton, FL)
12. United Way of Collier County (Naples, FL)
13. United Way of Marion County (Ocala, FL)
14. United Way of Osceola County (Orlando, FL)
15. United Way of Pasco County (Port Richey, FL)
16. United Way of Southwest Georgia (Albany, GA)
17. United Way of Northeast Georgia (Athens, GA)
18. United Way of Colquitt County (Moultrie, GA)
19. United Way of Newnan-Coweta County (Newnan, GA)

20. United Way of Rome and Floyd (Rome, GA)
21. United Way of the Coastal Empire (Savannah, GA)
22. United Way of Thomas County (Thomasville, GA)
23. United Way of Tift Co. (Tifton, GA)
24. United Way of Lowndes County (Valdosta, GA)
25. United Way of Merrimac Valley (Lawrence, GA)
26. United Way of Asheville and Buncombe County (Asheville, NC)
27. United Way of Alamance County (Burlington, NC)
28. United Way of Gr. Orange County (Chapel Hill, NC)
29. United Way of Hartnett Co. (Dunn, NC)
30. United Way of Cumberland County (Fayetteville, NC)
31. United Way of Wayne County (Goldsboro, NC)
32. United Way of Pitt Co. (Greenville, NC)
33. United Way of Lincoln Co. (Lincolnton, NC)
34. United Way of Mooresville (Mooresville, NC)
35. United Way of Wilkes County (N. Wilkesboro, NC)
36. United Way of Coastal Carolina (New Bern, NC)
37. United Way of Wake County (Raleigh, NC)
38. United Way of Reidsville (Reidsville, NC)
39. United Way of Moore County (Southern Pines, NC)
40. United Way of Wilson (Wilson, NC)

MAIN PLACE REAL ESTATE INVESTMENT TRUST
DECLARATION OF TRUST
SCHEDULE A

41. United Way of Forsyth Co. (Winston-Salem, NC)
42. United Way of Abbeyville-Foothills (Anderson, SC)
43. United Way of Kershaw County (Camden, SC)
44. United Way of Horry County (Conway, SC)
45. United Way of Florence Co. (Florence, SC)

46. United Way of Fort Mill (Fort Mill, SC)
47. United Way of Cherokee County (Gaffney, SC)
48. United Way of Greenwood (Greenwood, SC)
49. United Way of Sumter Co., Inc. (Sumter, SC)
50. United Way of Bristol (Bristol, TN)

MAIN PLACE REAL ESTATE
INVESTMENT TRUST
BYLAWS

ARTICLE I
OFFICES

Section 1. Principal Office. The principal office of the Trust shall be located at such place or places as the Trustees may designate.

Section 2. Additional Offices. The Trust may have additional offices at such places as the Trustees may from time to time determine or the business of the Trust may require.

MEETINGS OF SHAREHOLDERS

Section 1. Place. All meetings of shareholders shall be held at the principal office of the Trust or at such other place within the United States as shall be stated in the notice of the meeting.

Section 2. Annual Meeting. An annual meeting of the shareholders for the election of Trustees and the transaction of any business within the powers of the Trust shall be held on the date and at the time fixed, from time to time, by the Board of Trustees.

Section 3. Special Meetings. A special meeting of the shareholders may be called by the president or by a majority of the Board of Trustees. Special meetings of shareholders shall also be called by the secretary upon the written request of holders of not less than 25% of the outstanding Shares. Such request shall also state the purpose of such meeting and the matters proposed to be acted on at such meeting. A special meeting need not be called to consider any matter which is substantially the same as a matter voted on at any special meeting of the shareholders held during the preceding twelve months.

Section 4. Notice. Not less than ten nor more than 90 days before each meeting of shareholders, the secretary shall give to each shareholder entitled to vote at such meeting and to each shareholder not entitled to vote who is entitled to notice of the meeting written or printed notice stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by statute, the purpose for which the meeting is called, either by mail or by presenting it to such shareholder personally or by leaving it at his

residence or usual place of business. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the shareholder at his post office address as it appears on the records of the Trust, with postage thereon prepaid.

Section 5. Scope of Notice. Any business of the Trust may be transacted at an annual meeting of shareholders without being specifically designated in the notice, except such business as is required by statute to be stated in such notice. No business shall be transacted at a special meeting of shareholders except as specifically designated in the notice.

Section 6. Quorum. At any meeting of shareholders, the presence in person or by proxy of shareholders entitled to cast a majority of all the votes entitled to be cast at such meeting shall constitute a quorum; but this Section shall not affect any requirement under any statute or the Declaration of Trust for the vote necessary for the adoption of any measure. If, however, such quorum shall not be present at any meeting of the shareholders, the shareholders entitled to vote at such meeting, present in person or by proxy, shall have the power to adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. Voting. A plurality of all the votes at a meeting of shareholders duly called and at which a quorum is present shall be sufficient to elect a Trustee. Each share may be voted for as many individuals as there are Trustees to be elected and for whose election the share is entitled to be voted. A majority of the votes cast at a meeting of shareholders duly called and at which a quorum is present shall be sufficient to approve any other matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the Declaration of Trust. Unless otherwise provided in the Declaration, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

Section 8. Proxies. A shareholder may vote the shares owned of record by him, either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Trust before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 9. Voting of Shares by Certain Holders. Shares registered in the name of a corporation, partnership, trust or other entity, if entitled to be

voted, may be voted by the chief executive officer or a vice president, a general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been appointed to vote such shares pursuant to a bylaw or a resolution of the board of directors of such corporation or other entity presents a certified copy of such bylaw or resolution, in which case such person may vote such shares. Any trustee or other fiduciary may vote shares registered in his name as such fiduciary, either in person or by proxy.

Shares of the Trust directly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Trustees may adopt by resolution a procedure by which a shareholder may certify in writing to the Trust that any Shares registered in the name of the shareholder are held for the account of a specified person other than the shareholder. The resolution shall set forth the class of shareholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date or closing of the share transfer books, the time after the record date or closing of the share transfer books within which the certification must be received by the Trust; and any other provisions with respect to the procedure which the Trustees consider necessary or desirable. On receipt of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the shareholder of record of the specified shares in place of the shareholder who makes the certification.

Section 10. Inspectors. At any meeting of shareholders, the chairman of the meeting may, or upon the request of any shareholder shall, appoint one or more persons as inspectors for such meeting. Such inspectors shall ascertain and report the number of shares represented at the meeting based upon their determination of the validity and effect of proxies, count all votes, report the results and perform such other acts as are proper to conduct the election and voting with impartiality and fairness to all the shareholders.

Each report of an inspector shall be in writing and signed by him or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector on the number of shares

-36-

represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Section 11. Reports to Shareholders.

At or before the annual meeting of shareholders, the Trustees shall deliver or cause to be delivered a report of the business and operations of the Trust during such fiscal year to the shareholders, containing a balance sheet and a statement of income and surplus of the Trust, accompanied by the certification of an independent certified public accountant, and such further information as the Trustees may determine is required pursuant to any law or regulation to which the Trust is subject. A signed copy of the annual report and the accountant's certificate shall be filed by the Trustees with the State Department of Assessments and Taxation of Maryland, and with such other governmental agencies as may be required by law and as the Trustees may deem appropriate.

Section 12. Nominations and Shareholders Business.

(a) Annual Meeting of Shareholders.

(1) Nominations of persons for election to the Board of Trustees and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders (i) pursuant to the Trust's notice of meeting, (ii) by or at the direction of the Trustees or (iii) by any shareholder of the Trust who was a shareholder of record at the time of giving of notice provided for in this Section 12(a), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 12(a).

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (iii) of paragraph (a)(1) of this Section 12, the shareholder must give timely notice thereof in writing to the secretary of the Trust. To be timely, a shareholder's notice shall be delivered to the secretary at the principal executive offices of the Trust not later than a date 30 days prior to the date of such annual meeting nor earlier than 60 days prior to such date.

(3) The shareholder's notice shall set forth (i) as to each person whom the shareholder proposes to nominate for election or reelection as a Trustee all information relating to such person that is required to be disclosed in solicitations of proxies for election of Trustees (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Trustee if elected); (ii) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting

-37-

such business at the meeting and any material interest in such business of such shareholder and of the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (x) the name and address of such shareholder, as they appear on the Trust's books, and of such beneficial owner and (y) the class and number of shares of the Trust which

are owned beneficially and of record by such shareholder and such beneficial owner.

(b) Special Meetings of Shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Trust's notice of meeting. Nominations of persons for election to the Board of Trustees may be made at a special meeting of shareholders at which Trustees are to be elected (i) pursuant to the Trust's notice of meeting by or at the direction of the Board of Trustees, provided that the Board of Trustees has determined that Trustees shall be elected at such special meeting or (ii) by any shareholder of the Trust who is a shareholder of record at the time of giving of notice provided for in this Section 12(b), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 12(b). In the event the Trust calls a special meeting of shareholders for the purpose of electing one or more Trustees to the Board of Trustees, any such shareholder may nominate a person or persons (as the case may be) for election to such position as specified in the Trust's notice of meeting, if the shareholders notice required by paragraph (a) (2) of this Section 12(b) shall be delivered to the secretary at the principal executive offices of the Trust not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Trustees to be elected at such meeting.

-38-

(c) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this Section 12 shall be eligible to serve as Trustees and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 12. The presiding officer of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 12 and, if any proposed nomination or business is not in compliance with this Section 12, to declare that such defective nomination or proposal be disregarded.

(2) For purposes of this Section 12, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable news service or in a document publicly filed by the Trust with the Securities and Exchange Commission pursuant to Sections 13 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 12, a shareholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with

respect to the matters set forth in this Section 12.

Section 13. Informal Action by Shareholders. Any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting if a consent in writing, setting forth such action, is signed by each shareholder entitled to vote on the matter and any other shareholder entitled to notice of a meeting of shareholders (but not to vote thereat) has waived in writing any right to dissent from such action, and such consent and waiver are filed with the minutes of proceedings of the shareholders.

Section 14. Voting by Ballot. Voting on any question or in any election may be viva voce unless the presiding officer shall order or any shareholder shall demand that voting be by ballot.

ARTICLE III TRUSTEES

Section 1. General Powers; Qualifications. The business and affairs of the Trust shall be managed under the direction of its Board of Trustees. A Trustee shall be an individual at least 21 years of age who is not legally incompetent.

-39-

Section 2. Annual and Regular Meetings. An annual meeting of the Trustees shall be held immediately after and at the same place as the annual meeting of shareholders, no notice other than this Bylaw being necessary. The Trustees may provide, by resolution, the time and place, either within or without the State of Maryland, for the holding of regular meetings of the Trustees without other notice than such resolution.

Section 3. Special Meetings. Special meetings of the Trustees may be called by or at the request of the president or by a majority of the Trustees then in office. The person or persons authorized to call special meetings of the Trustees may fix any place, either within or without the State of Maryland, as the place for holding any special meeting of the Trustees called by them.

Section 4. Notice. Notice of any special meeting shall be given by written notice delivered personally, transmitted by facsimile, telegraphed or mailed to each Trustee at his business or residence address. Personally delivered, facsimile transmitted or telegraphed notices shall be given at least two days prior to the meeting. Notice by mail shall be given at least three days prior to the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. If given by telegram, such notice shall be deemed to be given when the telegram is delivered to the telegraph company. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the

Trustees need be stated in the notice, unless otherwise specifically required by statute or these Bylaws.

Section 5. Quorum. A majority of the Trustees shall constitute a quorum for transaction of business at any meeting of the Trustees, provided that, if less than a majority of such Trustees are present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice, and provided further that if, pursuant to the Declaration of Trust or these Bylaws, the vote of a majority of a particular group of Trustees is required for action, a quorum must also include a majority of such group.

The Trustees present at a meeting which has been duly called and convened may continue to transact business until adjournment, notwithstanding the withdrawal of enough Trustees to leave less than a quorum.

Section 6. Voting. The action of the majority of the Trustees present at a meeting at which a quorum is present shall be the action of the Trustees, unless the concurrence of a greater proportion is required for such action by the Declaration of Trust or by applicable statute.

-40-

Section 7. Telephone Meetings. Trustees may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 8. Informal Action by Trustees. Any action required or permitted to be taken at any meeting of the Trustees may be taken without a meeting, if a consent in writing to such action is signed by each Trustee and such written consent is filed with the minutes of proceedings of the Trustees.

Section 9. Vacancies. If for any reason any or all the Trustees cease to be Trustees, such event shall not terminate the Trust or affect these Bylaws or the powers of the remaining Trustees hereunder (even if fewer than three Trustees remain). Any vacancy (including a vacancy created by an increase in the number of Trustees) shall be filled, at any regular meeting or at any special meeting called for that purpose, by a majority of the Trustees. Any individual so elected as Trustee shall hold office for the unexpired term of the Trustee he is replacing.

Section 10. Compensation. Trustees shall not receive any stated salary for their services as Trustees but, by resolution of the Trustees, fixed sums per year and/or per meeting. Expenses of attendance, if any, may be allowed to Trustees for attendance at each annual, regular or special meeting of the Trustees or of any committee thereof; but nothing herein contained shall be construed to preclude any Trustees from serving the Trust in any other capacity

and receiving compensation therefor.

Section 11. Removal of Trustees. The shareholders may, at any time, remove any Trustee in the manner provided in the Declaration of Trust.

Section 12. Loss of Deposits. No Trustee shall be liable for any loss which may occur by reason of the failure of the bank, trust company, savings and loan association, or other institution with whom moneys or shares have been deposited.

Section 13. Surety Bonds. Unless required by law, no Trustee shall be obligated to give any bond or surety or other security for the performance of any of his duties.

Section 14. Reliance. Each Trustee, officer, employee and agent of the Trust shall, in the performance of his duties with respect to the Trust, be fully justified and protected with regard to any act or failure to act in reliance in good faith upon the books of account or other records of the Trust, upon an

-41-

opinion of counsel or upon reports made to the Trust by any of its officers or employees or by the adviser, accountants, appraisers or other experts or consultants selected by the Trustees or officers of the Trust, regardless of whether such counsel or expert may also be a Trustee.

Section 15. Certain Rights of Trustees, Officers, Employees and Agents. The Trustees shall have no responsibility to devote their full time to the affairs of the Trust. Any Trustee or officer, employee or agent of the Trust, in his personal capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities to or in addition to those of or relating to the Trust.

ARTICLE IV COMMITTEES

Section 1. Number, Tenure and Qualifications. The Board of Trustees may appoint from among its members an Audit Committee, an Executive Compensation Committee and other committees, composed of two or more Trustees, to serve at the pleasure of the Board of Trustees.

Section 2. Powers. The Trustees may delegate to committees appointed under Section 1 of this Article any of the powers of the Board of Trustees, except as prohibited by law.

Section 3. Meetings. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another Trustee to act in the place of such

absent member.

Section 4. Telephone Meetings. Members of a committee of the Trustees may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 5. Informal Act by Committees. Any action required or permitted to be taken at any meeting of a committee of the Trustees may be taken without a meeting, if a consent in writing to such action is signed by each member of the committee and such written consent is filed with the minutes of proceedings of such committee.

-42-

ARTICLE V OFFICERS

Section 1. General Provisions. The officers of the Trust may consist of a president, an executive vice president, one or more vice presidents, a treasurer, one or more assistant treasurers, a secretary, and one or more assistant secretaries. In addition, the Trustees may from time to time appoint such other officers with such powers and duties as they shall deem necessary or desirable. The officers of the Trust shall be elected annually by the Trustees at the first meeting of the Trustees held after each annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor is elected and qualifies or until his death, resignation or removal in the manner hereinafter provided. Any two or more offices may be held by the same person. In their discretion, the Trustees may leave unfilled any office except that of president, treasurer and secretary. Election of an officer or agent shall not of itself create contract rights between the Trust and such officer or agent.

Section 2. Removal and Resignation. Any officer or agent of the Trust may be removed by the Trustees if in their judgment the best interests of the Trust would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Trust may resign at any time by giving written notice of his resignation to the Trustees, the president or the secretary. Any resignation shall take effect at any time subsequent to the time specified therein or, if the time when it shall become effective is not specified therein, immediately upon its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 3. Vacancies. A vacancy in any office may be filled by the Trustees for the balance of the term.

Section 4. President. The president shall be a Trustee and chief executive officer of the Trust and shall preside at all meetings of the Board of Trustees and shareholders of the Trust. The president shall exercise general supervisory powers over the officers and management of the Trust, and shall have general responsibility for implementation of the policies of the Trust, as determined by the Board of Trustees, and for the management of the business affairs of the Trust subject at all times to the control of the Board of Trustees. He may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Trustees or by these bylaws to some other officer or agent of the Trust or shall be required by

-43-

law to be otherwise executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 5. Vice Presidents. In the absence of the president or in the event of a vacancy in such office, the vice president (or in the event there is more than one vice president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon the president and shall perform such other duties as from time to time may be assigned to him by the chairman of the board, the president or by the Trustees. The Trustees may designate one or more vice presidents as executive vice president or as vice president for particular areas of responsibility.

Section 6. Secretary. The secretary shall (a) keep the minutes of the proceedings of the shareholders, the Trustees and committees of the Trustees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the Trust records and of the seal of the Trust; (d) keep a register of the post office address of each shareholder which shall be furnished to the secretary by such shareholder; (e) have general charge of the share transfer books of the Trust; and (f) in general perform such other duties as from time to time may be assigned to him by the president or by the Trustees.

Section 7. Treasurer. The treasurer shall have the custody of the funds and securities of the Trust, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Trust and shall deposit all moneys and other valuable effects in the name and to the credit of the Trust in such depositories as may be designated by the Trustees.

The treasurer shall disburse the funds of the Trust as may be ordered by the Trustees, taking proper vouchers for such disbursements, and shall render to the president and the Trustees, at the regular meetings of the Trustees or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the Trust.

If required by the Trustees, he shall give the Trust a bond in such sum and with such surety or sureties as shall be satisfactory to the Trustees for the faithful performance of the duties of his office and for the restoration to the Trust, in case of his death, resignation, retirement or removal from office, all books, papers, vouchers, moneys and other property of whatever kind in his possession or under his control belonging to the Trust.

-44-

Section 8. Assistant Officers. The assistant secretary or secretaries and the assistant treasurer or treasurers, if any, shall perform all the duties of the secretary and of the treasurer, respectively, in the absence of those officers, and shall have such other powers and perform such other duties as may be assigned to them respectively by the Board of Trustees or the president.

Section 9. Salaries. The salaries of the officers shall be fixed from time to time by the Trustees and no officers shall be prevented from receiving such salary by reason of the fact that he is also a Trustee.

ARTICLE VI.
CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Trustees may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Trust and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document executed by one or more of the Trustees or by an authorized person shall be deemed valid and binding upon the Trustees and upon the Trust when so authorized or ratified by action of the Trustees.

Section 2. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Trust shall be signed by such officer or officers, agent or agents, of the Trust and in such manner as shall from time to time be determined by the Trustees.

Section 3. Deposits. All funds of the Trust not otherwise employed shall be deposited from time to time to the credit of the Trust in such banks, trust companies or other depositories as the Trustees may designate.

-45-

ARTICLE VII
SHARES

Section 1. Certificates. Each shareholder shall be entitled to a certificate or certificates which shall represent and certify the number of shares of each class of beneficial interest held by him in the Trust. Each certificate shall be signed by the president or a vice president and countersigned by the secretary or an assistant secretary or the treasurer or an assistant treasurer and may be sealed with the seal, if any, of the Trust. The signatures may be either manual or facsimile. Certificates shall be consecutively numbered; and if the Trust shall, from time to time, issue several classes of shares, each class may have its own number series. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued. Each certificate representing shares which are restricted as to their transferability or voting powers, which are preferred or limited as to their dividends or as to their allocable portion of the assets upon liquidation or which are redeemable at the option of the Trust, shall have a statement of such restriction, limitation, preference or redemption provision, or a summary thereof, plainly stated on the certificate. In lieu of such statement or summary, the Trust may set forth upon the face or back of the certificate a statement that the Trust will furnish to any shareholder, upon request and without charge, a full statement of such information.

Section 2. Transfers. Certificates shall be treated as negotiable and title thereto and to the shares they represent shall be transferred by delivery thereof to the same extent as those of a Maryland stock corporation. Upon surrender to the Trust or the transfer agent of the Trust of a share certificate duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Trust shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

The Trust shall be entitled to treat the holder of record of any share or shares as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Maryland.

Section 3. Lost Certificate. The Trustees may direct a new certificate to be issued in place of any certificate previously issued by the Trust alleged to have been lost, stolen or destroyed upon the making of affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing the issuance thereof, the Trustees may require the owner of such

-46-

lost, stolen or destroyed certificate or his legal representative to advertise the same in such manner as they shall require and/or to give bond, with sufficient surety, to the Trust to indemnify it against any loss or claim which may arise as a result of the issuance of a new certificate.

Section 4. Closing of Transfer Books or Fixing of Record Date. The

Trustees may set, in advance, a record date for the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of shareholders for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of shareholders not less than ten days, before the date on which the meeting or particular action requiring such determination of shareholders is to be held or taken.

In lieu of fixing a record date, the Trustees may provide that the share transfer books shall be closed for a stated period but no longer than 20 days. If the share transfer books are closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days before the date of such meeting.

If no record date is fixed and the share transfer books are not closed for the determination of shareholders (a) the record date for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day on which the notice of meeting is mailed or the 30th day before the meeting, whichever is the closer date to the meeting; and (b) the record date for the determination of shareholders entitled to receive payment of a dividend or an allotment of any other rights shall be the close of business on the day on which the resolution of the Trustees, declaring the dividend or allotment of rights, is adopted.

When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, except where the determination has been made through the closing of the transfer books and the stated period of closing has expired.

Section 5. Share Ledger. The Trust shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate share ledger containing the name and address of each shareholder and the number of shares of each class held by such shareholder.

Section 6. Fractional Shares: Issuance of Units. Trustees may issue fractional shares or provide for the issuance of scrip, all on such terms and under such conditions as they may determine. Notwithstanding any other provision of the

-47-

Declaration or these Bylaws, the Trustees may issue units consisting of different securities of the Trust. Any security issued in a unit shall have the same characteristics as any identical securities issued by the Trust, except that the Trustees may provide that for a specified period securities of the Trust issued in such unit may be transferred on the books of the Trust only in such unit.

ARTICLE VIII
ACCOUNTING YEAR

The fiscal year of the Trust shall be fixed by, and subject to change by, the Board of Trustees, by duly adopted resolution.

ARTICLE IX
DIVIDENDS

Section 1. Declaration. Dividends upon the shares of the Trust may be declared by the Trustees, subject to the provisions of law and the Declaration of Trust. Dividends may be paid in cash, property or shares of the Trust, subject to the provisions of law and the Declaration of Trust.

Section 2. Contingencies. Before payment of any dividends, there may be set aside out of any funds of the Trust available for dividends such sum or sums as the Board of Trustees may from time to time, in its absolute discretion, think proper as a reserve fund for contingencies, for equalizing dividends, for repairing or maintaining any property of the Trust or for such other purpose as the Trustees shall determine to be in the best interest of the Trust, and the Trustees may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X
INVESTMENT POLICY

Section 1. General. Subject to the provisions of the Declaration of Trust, the Trustees may from time to time adopt, amend, revise or terminate any policy or policies with respect to investments by the Trust as they shall deem appropriate in their sole discretion.

-48-

ARTICLE XI
SEAL

Section 1. Seal. The Trustees may authorize the adoption of a seal by the Trust. The seal shall have inscribed thereon the name of the Trust and the year of its organization. The Trustees may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. Affixing Seal. Whenever the Trust is required to place its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Trust.

ARTICLE XII
INDEMNIFICATION

To the maximum extent permitted by Maryland law in effect from time to time, the Trust, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall indemnify (a) any Trustee, officer or shareholder or any former Trustee, officer or shareholder (including among the foregoing, for all purposes of this Article XII and without limitation, any individual who, while a Trustee and at the request of the Trust, serves or has served another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee of such corporation, partnership, joint venture, trust, employee benefit plan or other enterprise), who has been successful, on the merits or otherwise, in the defense of a proceeding to which he was made a party by reason of such status, against reasonable expenses incurred by him in connection with the proceeding, (b) any Trustee or officer or any former trustee or officer against any claim or liability to which he may become subject by reason of such status unless it is established that (i) his act or omission was committed in bad faith or was the result of active and deliberate dishonesty, (ii) he actually received an improper personal benefit in money, property or services or (iii) in the case of a criminal proceeding, he had reasonable cause to believe that his act or omission was unlawful and (c) each shareholder or former shareholder against any claim or liability to which he may become subject by reason of his status as a shareholder or former shareholder. In addition, the Trust shall pay or reimburse, in advance of final disposition of a proceeding, reasonable expenses

-49-

incurred by a Trustee, officer or shareholder or former Trustee, officer or shareholder made a party to a proceeding by reason of his status as a Trustee, officer or shareholder provided that, in the case of a Trustee or officer, the Trust shall have received (i) a written affirmation by the Trustee or officer of his good faith belief that he has met the applicable standard of conduct necessary for indemnification by the Trust as authorized by these Bylaws and (ii) a written undertaking by or on his behalf to repay the amount paid or reimbursed by the Trust if it shall ultimately be determined that the applicable standard of conduct was not met. The Trust may, with the approval of its Trustees, provide such indemnification and payment or reimbursement of expenses to any Trustee, officer or shareholder or any former Trustee, officer or shareholder who served a predecessor of the Trust and to any employee or agent of the Trust or a predecessor of the Trust. Neither the amendment nor repeal of this Section, nor the adoption or amendment of any other provision of the Declaration of Trust or these Bylaws inconsistent with this Section, shall apply to or affect in any respect the applicability of this paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption. Any indemnification or payment or reimbursement of the expenses permitted by these Bylaws shall be furnished in accordance with the procedures provided for indemnification and payment or reimbursement of expenses under Section 2-418 of the Maryland General Corporation Law (the "MGCL") for directors

of Maryland corporations. The Trust may provide to Trustees, officers and shareholders such other and further indemnification or payment or reimbursement of expenses as may be permitted by MGCL as in effect from time to time for directors of Maryland corporations.

ARTICLE XIII
WAIVER OF NOTICE

Whenever any notice is required to be given pursuant to the Declaration of Trust or Bylaws or pursuant to applicable law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need to be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE XIV
AMENDMENT OF BYLAWS

The Trustees shall have the exclusive power to adopt, alter or repeal any provision of these Bylaws and to make new Bylaws.

FIRST SUPPLEMENTAL INDENTURE
Dated as of November 1, 1996

to

INDENTURE
Dated as of July 18, 1995

between

MAIN PLACE FUNDING CORPORATION

and

FIRST TRUST NATIONAL ASSOCIATION

as Trustee

\$1,500,000,000
Mortgage-Backed Bonds, Series 1995-1 Due 1998

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE, dated as of November 1, 1996 between Main Place Real Estate Investment Trust, a Maryland real estate investment trust (the "Trust"), as successor in interest to Main Place Funding Corporation, a Delaware corporation (the "Issuer"), and First Trust National Association (the "Trustee") to that certain Indenture, dated as of July 18, 1995, between the Issuer and the Trustee (the "Indenture").

WHEREAS, the Issuer and the Trustee previously entered into the Indenture which provides for the issuance by the Issuer of \$1,500,000,000 aggregate principal amount Mortgage-Backed Bonds, Series 1995-1 Due 1998; and

WHEREAS, pursuant to an Agreement of Merger dated October 31, 1996 by and among the Trust, the Issuer and Main Place Holdings Corporation, a Delaware corporation (the "Parent"), the Issuer was merged by the Parent with and into the Trust, with the Trust as the surviving entity of the merger; and

WHEREAS, the Trust, as successor in interest to the Issuer wishes to enter into this First Supplemental Indenture pursuant to Sections 7.01(1) and (2) of the Indenture to evidence the succession of the Trust to the Issuer and the assumption by the Trust of the covenants of the Issuer under the Indenture and the Securities issued pursuant to the Indenture; and

WHEREAS, all acts necessary to constitute this First Supplemental Indenture as a valid, binding and legal obligation of the Trust have been done and performed.

NOW, THEREFORE, witnesseth that, in consideration of the premises and of the covenants contained herein, it is hereby agreed as follows:

1. All references to the Issuer in the Indenture shall hereinafter refer to Main Place Real Estate Investment Trust, as successor in interest to Main Place Funding Corporation.

2. The Trust hereby expressly assumes all obligations of the Issuer under the Indenture in respect of the Securities and the Collateral and expressly assumes every covenant of the Indenture on the part of the Issuer to be performed or observed.

-53-

3. The Trust hereby expressly confirms that the Collateral shall secure its obligations under the Securities and the Indenture.

-54-

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed, all as of the date first written above.

MAIN PLACE REAL ESTATE INVESTMENT TRUST

By: /s/ Gary S. Williams.

Name: Gary S. Williams

Title: Senior Vice President

FIRST TRUST NATIONAL ASSOCIATION,
as Trustee

By: /s/ Sherri Christopherson.

Authorized Signatory

FIRST SUPPLEMENTAL INDENTURE
Dated as of November 1, 1996

to

INDENTURE
Dated as of October 31, 1995

between

MAIN PLACE FUNDING CORPORATION

and

FIRST TRUST NATIONAL ASSOCIATION

as Trustee

\$1,500,000,000
Mortgage-Backed Bonds, Series 1995-2 Due 2000

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE, dated as of November 1, 1996 between Main Place Real Estate Investment Trust, a Maryland real estate investment trust (the "Trust"), as successor in interest to Main Place Funding Corporation, a Delaware corporation (the "Issuer"), and First Trust National Association (the "Trustee") to that certain Indenture, dated as of October 31, 1995, between the Issuer and the Trustee (the "Indenture").

WHEREAS, the Issuer and the Trustee previously entered into the Indenture which provides for the issuance by the Issuer of \$1,500,000,000 aggregate principal amount Mortgage-Backed Bonds, Series 1995-2 Due 2000; and

WHEREAS, pursuant to an Agreement of Merger dated October 31, 1996 by and among the Trust, the Issuer and Main Place Holdings Corporation, a Delaware corporation (the "Parent"), the Issuer was merged by the Parent with and into the Trust, with the Trust as the surviving entity of the merger; and

WHEREAS, the Trust, as successor in interest to the Issuer wishes to enter into this First Supplemental Indenture pursuant to Sections 7.01(1) and (2) of the Indenture to evidence the succession of the Trust to the Issuer and the assumption by the Trust of the covenants of the Issuer under the Indenture and the Securities issued pursuant to the Indenture; and

WHEREAS, all acts necessary to constitute this First Supplemental Indenture as a valid, binding and legal obligation of the Trust have been done and performed.

NOW, THEREFORE, witnesseth that, in consideration of the premises and of the covenants contained herein, it is hereby agreed as follows:

1. All references to the Issuer in the Indenture shall hereinafter refer to Main Place Real Estate Investment Trust, as successor in interest to Main Place Funding Corporation.

2. The Trust hereby expressly assumes all obligations of the Issuer under the Indenture in respect of the Securities and the Collateral and expressly assumes every covenant of the Indenture on the part of the Issuer to be performed or observed.

-57-

3. The Trust hereby expressly confirms that the Collateral shall secure its obligations under the Securities and the Indenture.

-58-

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed, all as of the date first written above.

MAIN PLACE REAL ESTATE INVESTMENT
TRUST

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

FIRST TRUST NATIONAL ASSOCIATION,
as Trustee

By: /s/ Sherri Christopherson

Authorized Signatory

-59-

CONTRIBUTION AGREEMENT
DATED AS OF SEPTEMBER 20, 1996

This Contribution Agreement (the "Agreement") dated as of September 20, 1996, is between Main Place Funding Corporation, a Delaware corporation (the "Issuer"), and NationsBank, N.A. (South), a national banking association ("NationsBank South").

WITNESSETH THAT:

WHEREAS, NationsBank South desires to transfer legal and equitable title to certain of the mortgage notes which are listed in Exhibit A attached hereto (the "Mortgage Notes") to the Issuer pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual promises hereinafter contained, it is mutually covenanted and agreed as follows:

1. CONTRIBUTION OF MORTGAGE NOTES. NationsBank South does hereby transfer, assign, set over and otherwise convey to the Issuer all of its right, title and interest in and to the Mortgage Notes, including all interest and principal received or receivable by it on or with respect to the Mortgage Notes after the date of this Agreement, together with all of its right, title and interest in and to the proceeds of any related title, hazard, private mortgage or other insurance policies.

At the direction of the Issuer, NationsBank South hereby delivers to the Trustee or the Custodian all documents, instruments and agreements required to be delivered by the Issuer to the Trustee or the Custodian, respectively, under the Indenture of Trust dated as of October 31, 1995, (the "Indenture"), between the issuer and First Trust National Association, as trustee (the "Trustee"), relating to the issuance by the Issuer of its Mortgage-Backed Bonds, Series 1995-2 Due 2000. Terms used without definition herein shall have the respective meanings assigned to them in the Indenture.

2. REPRESENTATIONS AND WARRANTIES. NationsBank South hereby represents and warrants to the Issuer as of the date of this Agreement (unless otherwise indicated) that:

(i) the information set forth with respect to the Mortgage Notes in Exhibit A hereto is true and correct in all material respects at the date or dates respecting which such information is furnished as specified therein;

(ii) NationsBank South is the sole owner and holder of each Mortgage Note, free and clear of any and all liens, pledges, charges or security interests of any nature and has

full right and authority to sell and assign the same;

(iii) each Mortgage Note is either an Eligible Adjustable-Rate Mortgage Note or an Eligible Fixed-Rate Mortgage Note, as applicable, and all of the Mortgage Notes, individually and collectively, are Eligible Mortgage Notes;

(iv) to the best of NationsBank South's knowledge, all taxes, governmental assessments, insurance premiums, and water, sewer and municipal charges previously due and owing have been paid, or an escrow of funds in an amount sufficient to pay for every such item which remains unpaid has been established to the extent permitted by law; and NationsBank South has not advanced funds, directly or indirectly, for the payment of any amount required by any Mortgage, except for interest accruing from the date of related Mortgage note or date of disbursement of any Mortgage Note proceeds, whichever is later, to the date which precedes by 30 days the first due date under any related Mortgage Note;

(v) to the best of NationsBank South's knowledge, there is no proceeding pending or threatened for the total or partial condemnation of any Mortgaged Property and any Mortgaged Property is undamaged by water, fire, earthquake or earth movement, windstorm, flood, tornado or similar casualty (excluding casualty from the presence of hazardous wastes or hazardous substances, as to which NationsBank South makes no representation), so as to affect adversely the value of any Mortgaged Property as security for any Mortgage Note or the use for which such premises were intended;

(vi) each Mortgage Note meets, or is exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury, and such Mortgage Note is not usurious; any and all requirements of any federal, state or local law with respect to the origination of the Mortgage Notes including, without limitation, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity or disclosure laws applicable to the Mortgage notes have been complied with;

(vii) each Mortgage Note, related Mortgage and other agreements executed in connection therewith are genuine, and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement

of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law); and, to the best of NationsBank South's knowledge, all parties to each Mortgage Note had legal capacity to execute each such Mortgage Note and each such Mortgage Note has been duly and properly executed by the mortgagor;

(viii) the Mortgaged Property securing each Mortgage Note is insured by an insurer acceptable to FNMA or FHLMC against loss by fire and such hazards as are covered under a standard extended coverage endorsement, in an amount which is not less than the lesser of 100% of the insurable value of the Mortgaged Property and the outstanding principal balance of the Mortgage Note, but in no event less than the minimum amount necessary to fully compensate for any damage or loss on a replacement cost basis; if the Mortgaged Property is a condominium

-2-

unit, it is included under the coverage afforded by a blanket policy for the project; if upon origination of the Mortgage Note, the improvements on the Mortgaged Property were in an area indemnified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards, a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier, in an amount representing coverage not less than the least of (A) the outstanding principal balance of the Mortgage Note, (B) the full insurable value and (C) the maximum amount of insurance which was available under the Flood Disaster Protection Act of 1973; and each Mortgage obligates the mortgagor thereunder to maintain all such insurance at the mortgagor's cost and expense;

(ix) to the best of the NationsBank South's knowledge, there is no default, breach, violation or event of acceleration existing under any Mortgage or the related Mortgage Note and no event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration; NationsBank South has not waived any default, breach, violation or event of acceleration; no foreclosure action is threatened or has been commenced by NationsBank

South with respect to any Mortgage Note;

(x) each Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security, including realization by judicial foreclosure (subject to any limitation arising from any bankruptcy, insolvency or other law for the relief of debtors), and there is no homestead or other law for the relief of debtors), and there is no homestead or other exemption available to the mortgagor which would interfere with such right of foreclosure; and

(xi) to the best of NationsBank South's knowledge, no mortgagor is a debtor in any state or federal bankruptcy or insolvency proceeding.

No representations or warranties are made by NationsBank South as to the absence or effect of hazardous wastes or hazardous substances on any of the Mortgaged Properties or on the lien of any Mortgage or with respect to the absence or effect of fraud in the origination of any Mortgage Note, and any loss or liability resulting from the presence or effect of such hazardous wastes, hazardous substances or fraud will be borne solely by the Issuer.

3. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of law.

4. COUNTERPARTS. This Agreement may be executed in a number of counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one Agreement.

-3-

IN WITNESS WHEREOF, the Issuer and NationsBank South have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

MAIN PLACE FUNDING CORPORATION

By: /s/ John E. Mack

Name: John E. Mack

Title: President and Treasurer

NATIONSBANK, N.A. (SOUTH)

By: /s/ John E. Mack

Name: John E. Mack

Title: Senior Vice President

-4-

MORTGAGE LOAN CONTRIBUTION AGREEMENT

This Mortgage Loan Contribution Agreement, is made this 30th day of October, 1996 (this "Agreement"), by and between NationsBank of Texas, N.A., a national banking association (the "Bank"), and Main Place Real Estate Investment Trust, a Maryland real estate investment trust (the "Trust").

WHEREAS, the Bank owns 50% of the issued and outstanding Class A Common Shares of Beneficial Interest, par value \$1.00 per share (the "Class A Trust Shares"), of the Trust;

WHEREAS, the Bank owns the residential mortgage loans identified on Exhibit A hereto (the "Mortgage Loans" and the "Mortgage Loan Schedule," respectively);

WHEREAS, the Bank desires to contribute the Mortgage Loans to the Trust in exchange for the issuance by the Trust of 53,786 Class A Trust Shares (the "Shares") to the Bank upon the terms and conditions hereinafter set forth; and

WHEREAS, the Trust desires to accept the contribution of the Mortgage Loans by the Bank and issue the Shares to the Bank in consideration for such contribution;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Contribution; Issuance of Shares.

(a) The Bank hereby agrees to contribute (the "Contribution") to the Trust, on November 1, 1996 (the "Closing Date"), subject to the terms and conditions of this Agreement, all the right, title and interest of the Bank in and to the Mortgage Loans, including all servicing rights and all interest and principal due on or with respect to the Mortgage Loans together with all of the Bank's right, title and interest in and to the proceeds of any related title, hazard, primary mortgage or other insurance policies (collectively, the "Contributed Assets"). The Contribution shall be effected pursuant to a Mortgage Loan Assignment in the form attached hereto as Exhibit B. The closing of the Contribution shall take place at the offices of Stroock & Stroock & Lavan at 10:00 a.m. (eastern standard time) on the Closing Date.

-60-

(b) In consideration of the Contribution by the Bank to the

Trust, the Trust hereby agrees to issue to the Bank, on the Closing Date, subject to the terms and conditions of this Agreement, the Shares, receipt of which by the Bank shall be deemed to constitute full and adequate consideration from the Trust for the Bank's interest in the Contributed Assets to be contributed by the Bank pursuant to Section 1(a) hereof.

(c) In the event any mortgage loan is or becomes an Ineligible Mortgage Loan (as defined below), the Bank shall, upon the Trust's request, made at any time prior to or after the Closing Date, replace such Mortgage Loan with a substitute Mortgage Loan meeting the selection criteria established by the Trust in which case the Bank shall cause the Mortgage Loan Schedule to be amended. The term "Ineligible Mortgage Loan" means a mortgage loan which has any of the following characteristics as of the Cutoff Date (as hereinafter defined): (i) the Mortgage Loan is 30 days past due; (ii) a default, breach, violation or event of acceleration has occurred with respect to the mortgage loan; (iii) a foreclosure action has been commenced; or (iv) the related mortgagor is a debtor in a state or federal bankruptcy or insolvency proceeding. On the Closing Date, the Bank shall deliver the final Mortgage Loan Schedule to the Trust.

(d) The Bank and the Trust hereby agree that the aggregate book value of the Mortgage Loans at September 30, 1996 (the "Cutoff Date") is \$5,862,502,429.52 and that the aggregate fair market value of the Mortgage Loans at the Cutoff Date is approximately equal to the aggregate book value thereof.

2. Representations and Warranties of the Bank.

(a) The Bank hereby represents and warrants to the Trust as of the date hereof and as of Closing Date as follows:

(i) The Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States, with full corporate power and authority to own its assets and conduct its business, and the Bank has taken all necessary action to authorize the execution, delivery and performance of this Agreement by it, and has the power and authority to execute, deliver and perform this Agreement and all the transactions contemplated hereby, including, but not limited to, the power and authority to convey, assign and transfer the Contributed Assets in accordance with this Agreement;

(ii) Assuming the due authorization, execution and delivery of this Agreement by the Trust, this Agreement and all of the obligations of the Bank hereunder are the legal, valid and binding obligations of the Bank, enforceable against

the Bank in accordance with the terms of this Agreement,

except as such enforcement may be limited by bankruptcy, insolvency, reorganization moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(iii) The execution and delivery of this Agreement by the Bank and the performance of its obligations hereunder will not conflict with any provision of any law or regulation to which the Bank is subject, or conflict with, result in a breach of or constitute a default under any of the terms, conditions or provisions of any of the Bank's organizational documents or any agreement or instrument to which the Bank is a party or by which it is bound, or any order or decree applicable to the Bank, or result in the creation or imposition of any lien on any of the Bank's assets or property, in each case which would materially and adversely affect the ability of the Bank to carry out the transactions contemplated by this Agreement;

(iv) There is no action, suit, proceeding or investigation pending or, to the knowledge of the Bank, threatened against the Bank in any court or by or before any other governmental agency or instrumentality which would materially and adversely affect the value of the Contributed Assets or the ability of the Bank to carry out the transactions contemplated by this Agreement;

(v) The Bank is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or other) or operations of the Bank or its properties or might have consequences that would materially and adversely affect its performance hereunder;

(vi) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Bank of or compliance by the Bank with this Agreement or the consummation of the transactions contemplated by this Agreement, other than those which have been obtained by the Bank;

(vii) The Bank is acquiring the Shares for its own account, for investment and not with a view to the sale or distribution thereof or with any present intention of selling

or distributing any thereof, except in conformity with the Securities Act of 1933, as amended (the "Securities Act"). The Bank understands and acknowledges that the Shares are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the Securities and Exchange Commission to the effect that a proposed transfer of the Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for or reasonably acceptable to the Trust to the effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws; and

(viii) The transfer, assignment and conveyance of the Contributed Assets by the Bank to the Trust is not subject to bulk transfer laws or any similar statutory provisions in effect in any applicable jurisdiction.

(b) The Bank hereby represents and warrants with respect to each Mortgage Loan that, as of the date specified below or, if no such date is specified, as of the Closing Date:

(i) the information set forth with respect to the Mortgage Loans is true and correct in all material respects at the date or dates respecting which such information is furnished as specified therein;

(ii) the Bank is the sole owner and holder of each Mortgage Loan, free and clear of any and all liens, pledges, charges or security interest of any nature and has full right and authority to transfer and assign the same;

(iii) the Bank has not advanced funds, directly or indirectly, for the payment of any amount required by any Mortgage, except for interest accruing from the date of related Mortgage Loan or date of disbursement of any Mortgage Loan proceeds, whichever is later, to the date which precedes by 30 days the first due date under any related Mortgage Loan;

(iv) the Bank has no knowledge of any proceeding pending or threatened for the total or partial condemnation of any Mortgaged Property and any Mortgaged Property is undamaged by water, fire, earthquake or earth movement, windstorm, flood, tornado or similar casualty (excluding casualty from the presence of hazardous wastes or hazardous substances, as

to which the Bank makes no representation), so as to affect adversely the value of any Mortgaged Property as security for any Mortgage Loan or the use for which such premises were intended;

(v) each Mortgage Loan meets, or is exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury, and such Mortgage Note is not usurious; any and all requirements of any federal, state or local law with respect to the origination of the Mortgage Loans including, without limitation, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity or disclosure laws applicable to the Mortgage Loans have been complied with;

(vi) each Mortgage Note, related Mortgage and other agreements executed in connection therewith are genuine, and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceedings in equity or at law); and, to the best of the Bank's knowledge, all parties to each Mortgage Note had legal capacity to execute each such Mortgage Note and each such Mortgage Note has been duly and properly executed by the mortgagor;

(vii) the Mortgaged Property securing each Mortgage Note is insured by an insurer against loss by fire and such hazards as are covered under a standard extended coverage endorsement, in an amount which is not less than the lesser of 100% of the insurable value of the Mortgage Property and the outstanding principal balance of the Mortgage Note, but in no event less than the minimum amount necessary to fully compensate for any damage or loss on a replacement cost basis; if the Mortgaged Property is a condominium unit, it is included under the coverage afforded by a blanket policy for the project;

(viii) the Bank has no knowledge of any default, breach, violation or event of acceleration existing under any Mortgage or the related Mortgage Note or any event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration; the Bank has not waived any default, breach, violation or event of

acceleration; no foreclosure action is threatened or has been commenced by the Bank with respect to any Mortgage Note;

-64-

(ix) each Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security, including realization by judicial foreclosure (subject to any limitation arising from any bankruptcy, insolvency or other law for the relief of debtors), and there is no homestead or other exemption available to the mortgagor which would interfere with such right of foreclosure; and

(x) the Bank has no knowledge that any mortgagor is a debtor in any state or federal bankruptcy or insolvency proceeding.

No representations or warranties are made by the Bank as to the absence or effect of hazardous wastes or hazardous substances on any of the Mortgaged Properties or on the lien of any Mortgage or with respect to the absence or effect of fraud in the origination of any Mortgage Note, and any loss or liability resulting from the presence or effect of such hazardous wastes, hazardous substances or fraud will be borne solely by the Trust.

3. Notice of Breach: Cure and Repurchase.

(a) The Trust shall give the Bank notice of any breach of any representation or warranty regarding the Mortgage Loans (a "Breach") or any defect thereof (a "Defect") that materially and adversely affects the value of such Mortgage Loan.

(b) Upon notice pursuant to Section 3(a) herein, the Bank shall, not later than the earlier of 90 days from the Bank's receipt of the notice or the Bank's discovery of such Breach, cure such Defect or Breach, as the case may be, in all material respects or reacquire the affected Mortgage Loan at the applicable Reacquisition Price (as defined below). If the affected Mortgage Loan is to be reacquired, the Bank shall remit the Reacquisition Price to the Trust.

The "Reacquisition Price" with respect to any Mortgage Loan to be reacquired pursuant to this Agreement shall be the book value of any such Mortgage Loan as of the Cutoff Date.

(c) Upon any reacquisition of a Mortgage Loan contemplated by this Section 3(b), any servicer of the Mortgage Loans, at the instruction of the

Trust, shall tender to the Bank or any person designated by the Bank, all portions of the mortgage file, as such term is defined in the applicable servicing agreement, and other documents pertaining to such Mortgage Loan possessed by it, and each document that constitutes a part of the mortgage file that was endorsed or assigned to the Trust shall be endorsed or assigned, as the case may be, to the Bank or any person designated by the Bank.

(d) This Section 3 of this Agreement provides the sole remedy available to the Trust respecting any Defect in a mortgage file or any Breach of any representation or warranty set forth in or required to be made pursuant to Section 2 of this Agreement.

4. Representations, Warranties and Agreements of the Trust.

(a) The Trust hereby represents and warrants to the Bank, as of the date hereof and as of the Closing Date, as follows:

(i) The Trust is a real estate investment trust duly organized, validly existing and in good standing under the laws of the State of Maryland, with full corporate power and authority to own its assets and conduct its business, and the Trust has taken all necessary action to authorize the execution, delivery and performance of this Agreement by it, and has the power and authority to execute, deliver and perform this Agreement and all the transactions contemplated hereby;

(ii) Assuming the due authorization, execution and delivery of this Agreement by the Trust, this Agreement and all of the obligations of the Trust hereunder are the legal, valid and binding obligations of the Trust, enforceable against the Trust in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(iii) The execution and delivery of this Agreement by the Trust and the performance of its obligations hereunder will not conflict with any provision of any law or regulation to which the Trust is subject, or conflict with, result in a breach of or constitute a default under any of the terms, conditions or provisions of any of the Trust's organizational

documents or any agreement or instrument to which the Trust is a party or by which it is bound, or any order or decree

-66-

applicable to the Trust, or result in the creation or imposition of any lien on any of the Trust's assets or property, in each case which would materially and adversely affect the ability of the Trust to carry out the transactions contemplated by this Agreement;

(iv) There is no action, suit, proceeding or investigation pending or, to the knowledge of the Trust, threatened against the Trust in any court or by or before any other governmental agency or instrumentality which would materially and adversely affect the validity of this Agreement or any action taken in connection with the obligations of the Trust contemplated herein, or which would be likely to impair materially the ability of the Trust to perform under the terms of this Agreement;

(v) The Trust is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or otherwise) or operations of the Trust or its properties or might have consequences that would materially and adversely affect its performance hereunder;

(vi) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Trust of or compliance by the Trust with this Agreement or the consummation of the transactions contemplated by this Agreement other than those that have been obtained by the Trust; and

(vii) Upon the issuance of the Shares as provided herein, the Shares will be duly and validly issued, fully paid and non-assessable. The Shares, when issued and delivered to the Bank, will not be subject to preemptive rights.

5. Trust's Conditions to Closing.

The obligations of the Trust under this Agreement shall be subject to the satisfaction, on the Closing Date, of the following conditions:

(a) The obligations of the Bank required to be performed by it at or prior to the Closing Date pursuant to the terms of this Agreement shall have been duly performed and complied with and all of the representations and warranties of the Bank under this Agreement shall be true and correct as of the date hereof and as of the Closing Date, and no event shall have occurred which, with notice or the passage of time, or both, would constitute a default under this Agreement.

-67-

(b) The Trust or its designee shall have received all of the following closing documents, in such forms as are agreed upon and acceptable to the Trust and in form and substance satisfactory to the Trust and the Trust's counsel, duly executed by all signatories other than the Trust as required pursuant to the respective terms thereof:

(i) with respect to each Mortgage Loan, the related mortgage file, which mortgage files shall be held by the servicer on behalf of the Trust pursuant to the terms of the servicing agreement between the Trust and Servicer dated as of the Closing Date; and

(ii) the final Mortgage Loan Schedule.

(c) The Bank hereby agrees to furnish such other information, documents, certificates, letters or opinions with respect to the Mortgage Loans or itself as may be reasonably requested by the Trust in order for the Trust to perform any of its obligations or satisfy any of the conditions on its part to be performed or satisfied pursuant to this Agreement.

7. Bank's Conditions to Closing.

The obligations of the Bank under this Agreement shall be subject to the satisfaction, on the Closing Date, of the following conditions:

(a) The obligations of the Trust required to be performed by it at or prior to the Closing Date pursuant to the terms of this Agreement shall have been duly performed and complied with and all of the representations and warranties of the Trust under this Agreement shall be true and correct as of the date hereof and as of the Closing Date, and no event shall have occurred which, with notice or the passage of time, or both, would constitute a default under this Agreement.

(b) The Bank or its designee shall have received a certificate representing the Shares duly executed by the authorized officers of the Trust.

8. Share Legend. All Shares to be issued to the Bank pursuant to this Agreement shall be subject to the provisions of this Agreement,

and the certificates representing such Shares shall bear the following legend:

"The Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and are

-68-

"restricted securities" as that term is defined in Rule 144A under the Act. The Shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Trust."

9. Notices. All communications hereunder shall be in writing and effective only upon receipt and, if sent to the Trust, will be mailed, hand delivered, couriered or sent by facsimile transmission to it at 100 North Tryon Street, 23rd Floor, NC1-007-23-01 Charlotte, North Carolina 28255, attention of John E. Mack, President, fax number (704) 386-0270 or, if sent to the Bank, will be mailed, hand delivered or sent by facsimile transmission to it c/o NationsBank Corporation, Legal Department, at 100 North Tryon Street, 20th Floor, Charlotte, North Carolina 28255 attention of George Walls, Esq., fax number (704)386-6453.

10. Miscellaneous. This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated except by a writing signed by the party against whom enforcement of such change, waiver, discharge or termination is sought. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, and no other person will have any right or obligation hereunder, other than as provided herein. Notwithstanding the immediately preceding sentence, neither party hereto may assign this Agreement without the prior written consent of the other party hereto.

11. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement, or in certificates of officers of the Bank and the Trust submitted pursuant hereto, shall remain operative and in full force and effect and shall survive conveyance, assignment and transfer of the Contributed Assets to the Trust notwithstanding any language to the contrary contained in any endorsement of any Mortgage Loan.

12. Severability. If any provision of this Agreement shall be prohibited or invalid under applicable law, this Agreement shall be ineffective only to such extent, without invalidating the remainder of this Agreement.

13. Further Assurances. The Bank and the Trust agree to execute and deliver such instruments and take such actions as the other party may, from time to time, reasonably request in order to effectuate the purpose and to carry out the terms of this Agreement.

-69-

[Signature page follows]

-70-

IN WITNESS WHEREOF, the Trust and the Bank have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

NATIONSBANK OF TEXAS, N.A.

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

MAIN PLACE REAL ESTATE
INVESTMENT TRUST

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

-71-

EXHIBIT A

MORTGAGE LOAN SCHEDULE

[DELIVERED TO THE TRUST]

-72-

EXHIBIT B

MORTGAGE LOAN ASSIGNMENT

-73-

MORTGAGE LOAN ASSIGNMENT

Dated as of November 1, 1996

This Mortgage Loan Assignment (the "Assignment") dated as of November 1, 1996, is among Main Place Real Estate Investment Trust, a Maryland business trust (the "Trust"), NationsBank of Texas, N.A., a national banking association (the "Transferor"), and NationsBanc Mortgage Corporation, a Texas corporation ("NationsBanc Mortgage").

WITNESSETH THAT:

WHEREAS, the Transferor and the Trust have entered into a Mortgage Loan Contribution Agreement, dated as of October 30, 1996 (the "Contribution Agreement"), providing for the contribution of certain mortgage loans by the Transferor to the Trust and the receipt by the Trust of such mortgage loans;

WHEREAS, Transferor holds one of the following types of interest in each mortgage loan (each, a "Mortgage Loan" and collectively, "Mortgage Loans") described on Exhibit A to the Contribution Agreement: (i) 100% of all legal and beneficial ownership interests in the related promissory note, bond or other evidence of indebtedness (each, a "Mortgage Note"), mortgage, deed of trust, deed to secure debt or other security interest (each, a "Mortgage") and all other documents executed and delivered by the related Mortgage Loan Borrower ("Borrower") or any other person in favor of the owner and holder of the related Mortgage Loan (together with the Mortgage Loan and Mortgage, the "Mortgage Loan Documents"), or (ii) a 100% undivided participation interest in the related Mortgage Loan and Mortgage Loan Documents pursuant to a Loan Participation Agreement dated as of January 1, 1991 between NationsBanc Mortgage and the Transferor, as amended through the date hereof (the "Loan Participation Agreement"). Each Mortgage Loan falling within the description of clause (i) above shall hereinafter be referred to as a "Purchased Mortgage Loan." Each Mortgage Loan falling within the description of clause (ii) above shall hereinafter be referred to as a "Participation Mortgage Loan."

WHEREAS, pursuant to Section 4 of the Loan Participation Agreement, Transferor has the power to cause NationsBanc Mortgage to transfer legal title to such Mortgage Loans in accordance with Transferor's instructions;

WHEREAS, Transferor desires to terminate its participation interest in the Participation Mortgage Loans and to have NationsBanc Mortgage transfer legal title to the Participation Mortgage Loans to Transferor; and

WHEREAS, Transferor desires to assign, convey and transfer legal and equitable title to the Participation Mortgage Loans and the Purchased Mortgage Loans to the Trust pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter contained, it is mutually covenanted and agreed as follows (all capitalized terms not defined herein shall have the meanings ascribed to them in the Contribution Agreement):

1. Termination of Participation and Transfer of Legal Title. Pursuant to Section 4 of the Loan Participation Agreement, Transferor hereby instructs NationsBanc Mortgage to transfer, and NationsBanc Mortgage does hereby transfer, to Transferor all of NationsBanc Mortgage's right, title and interest in and to the Participation Mortgage Loans.

2. Assignment of Mortgage Loans. For and in consideration of the Consideration, the receipt and sufficiency of which is hereby acknowledged by the Transferor, Transferor does hereby assign, transfer, set over and otherwise convey to the Trust, its successors and assigns, all of its right, title and interest in and to the Mortgage Loans as provided for in the Contribution Agreement.

NationsBanc Mortgage hereby agrees to endorse or cause to be endorsed in blank each Mortgage Note as to which NationsBanc Mortgage is the named holder and further agrees to deliver possession of such Mortgage Notes and any related files to the Trust or to any other person upon the instruction of the Trust.

Transferor also hereby agrees to endorse or cause to be endorsed in blank each Mortgage Note as to which Transferor is the named holder and further agrees to deliver possession of such Mortgage Note and any related files to the Trust or to any other person upon the instruction of the Trust.

At the Trust's request, NationsBanc Mortgage and Transferor shall execute and deliver in addition to the foregoing any other documents to further evidence the transfers contemplated herein, including but not limited to assignments in recordable form, to the Trust or any person upon the instruction of the Trust.

Each party hereto represents, warrants and covenants to each other party that it is their intent that the foregoing transactions result in

the irrevocable transfer of all legal and equitable ownership interest in the Mortgage Loans to the Trust and its successors and assigns forever as of the date hereof in accordance with all applicable law. To the extent the foregoing is insufficient under any applicable law or otherwise to constitute a transfer, however, each party hereby expressly declares that it is their intention that Transferor irrevocably grant to the Trust a 100% undivided participation interest in Transferor's interest in the Mortgage Loans and Transferor does hereby irrevocably grant to the Trust a 100% undivided participation interest in the Transferor's interest in the Mortgage Loans to the Trust and its successors and assigns forever.

All transfers, assignments, grants and conveyances set forth herein are made without recourse to or representation or warranty by Transferor except to the extent specifically set forth herein and in the Contribution Agreement.

3. Representations and Warranties. Transferor hereby represents and warrants to the Trust as of the date of this Agreement that the representations and warranties made by the Transferor to the Trust in that certain Contribution Agreement are true and correct as of the date hereof.

4. Custody of Loan Documents. It is agreed that NationsBanc Mortgage shall retain physical possession of the Mortgage Loan Documents and shall hold the Mortgage Loan Documents in trust for the benefit of the Trust and its successors and assigns in accordance with the terms of that certain Servicing Agreement dated as of November 1, 1996 between NationsBanc Mortgage and the Trust.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law.

6. Counterparts. This Agreement may be executed in a number of counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one Agreement.

IN WITNESS WHEREOF, the Trust and Transferor have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

MAIN PLACE REAL ESTATE
INVESTMENT TRUST

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

NATIONSBANK OF TEXAS, N.A.

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

NATIONSBANC MORTGAGE CORPORATION

By: /s/ Frederick Wark

Name: Frederick Wark

Title: Senior Vice President

MORTGAGE LOAN CONTRIBUTION AGREEMENT

This Mortgage Loan Contribution Agreement, is made this 30th day of October, 1996 (this "Agreement"), by and between NationsBank, N.A. (South), a national banking association (the "Bank"), and Main Place Real Estate Investment Trust, a Maryland real estate investment trust (the "Trust").

WHEREAS, the Bank owns 50% of the issued and outstanding Class A Common Shares of Beneficial Interest, par value \$1.00 per share (the "Class A Trust Shares"), of the Trust;

WHEREAS, the Bank owns the residential mortgage loans identified on Exhibit A hereto (the "Mortgage Loans" and the "Mortgage Loan Schedule," respectively);

WHEREAS, the Bank desires to contribute the Mortgage Loans to the Trust in exchange for the issuance by the Trust of 27,894 Class A Trust Shares (the "Shares") to the Bank upon the terms and conditions hereinafter set forth; and

WHEREAS, the Trust desires to accept the contribution of the Mortgage Loans by the Bank and issue the Shares to the Bank in consideration for such contribution;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Contribution; Issuance of Shares.

(a) The Bank hereby agrees to contribute (the "Contribution") to the Trust, on November 1, 1996 (the "Closing Date"), subject to the terms and conditions of this Agreement, all the right, title and interest of the Bank in and to the Mortgage Loans, including all servicing rights and all interest and principal due on or with respect to the Mortgage Loans together with all of the Bank's right, title and interest in and to the proceeds of any related title, hazard, primary mortgage or other insurance policies (collectively, the "Contributed Assets"). The Contribution shall be effected pursuant to a Mortgage Loan Assignment in the form attached hereto as Exhibit B. The closing of the Contribution shall take place at the offices of Stroock & Stroock & Lavan at 10:00 a.m. (eastern standard time) on the Closing Date.

(b) In consideration of the Contribution by the Bank to the

Trust, the Trust hereby agrees to issue to the Bank, on the Closing Date, subject to the terms and conditions of this Agreement, the Shares, receipt of which by the Bank shall be deemed to constitute full and adequate consideration from the Trust for the Bank's interest in the Contributed Assets to be contributed by the Bank pursuant to Section 1(a) hereof.

(c) In the event any mortgage loan is or becomes an Ineligible Mortgage Loan (as defined below), the Bank shall, upon the Trust's request, made at any time prior to or after the Closing Date, replace such Mortgage Loan with a substitute Mortgage Loan meeting the selection criteria established by the Trust in which case the Bank shall cause the Mortgage Loan Schedule to be amended. The term "Ineligible Mortgage Loan" means a mortgage loan which has any of the following characteristics as of the Cutoff Date (as hereinafter defined): (i) the Mortgage Loan is 30 days past due; (ii) a default, breach, violation or event of acceleration has occurred with respect to the mortgage loan; (iii) a foreclosure action has been commenced; or (iv) the related mortgagor is a debtor in a state or federal bankruptcy or insolvency proceeding. On the Closing Date, the Bank shall deliver the final Mortgage Loan Schedule to the Trust.

(d) The Bank and the Trust hereby agree that the aggregate book value of the Mortgage Loans at September 30, 1996 (the "Cutoff Date") is \$3,039,640,152.53 and that the aggregate fair market value of the Mortgage Loans at the Cutoff Date is approximately equal to the aggregate book value thereof.

2. Representations and Warranties of the Bank.

(a) The Bank hereby represents and warrants to the Trust as of the date hereof and as of Closing Date as follows:

(i) The Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States, with full corporate power and authority to own its assets and conduct its business, and the Bank has taken all necessary action to authorize the execution, delivery and performance of this Agreement by it, and has the power and authority to execute, deliver and perform this Agreement and all the transactions contemplated hereby, including, but not limited to, the power and authority to convey, assign and transfer the Contributed Assets in accordance with this Agreement;

(ii) Assuming the due authorization, execution and delivery of this Agreement by the Trust, this Agreement and

all of the obligations of the Bank hereunder are the legal, valid and binding obligations of the Bank, enforceable against

the Bank in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(iii) The execution and delivery of this Agreement by the Bank and the performance of its obligations hereunder will not conflict with any provision of any law or regulation to which the Bank is subject, or conflict with, result in a breach of or constitute a default under any of the terms, conditions or provisions of any of the Bank's organizational documents or any agreement or instrument to which the Bank is a party or by which it is bound, or any order or decree applicable to the Bank, or result in the creation or imposition of any lien on any of the Bank's assets or property, in each case which would materially and adversely affect the ability of the Bank to carry out the transactions contemplated by this Agreement;

(iv) There is no action, suit, proceeding or investigation pending or, to the knowledge of the Bank, threatened against the Bank in any court or by or before any other governmental agency or instrumentality which would materially and adversely affect the value of the Contributed Assets or the ability of the Bank to carry out the transactions contemplated by this Agreement;

(v) The Bank is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or other) or operations of the Bank or its properties or might have consequences that would materially and adversely affect its performance hereunder;

(vi) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Bank of or compliance by the Bank with this Agreement or the consummation of the transactions contemplated by this Agreement, other than those which have been obtained by the Bank;

(vii) The Bank is acquiring the Shares for its own account, for investment and not with a view to the sale or

distribution thereof or with any present intention of selling or distributing any thereof, except in conformity with the Securities Act of 1933, as amended (the "Securities Act"). The Bank understands and acknowledges that the Shares are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the Securities and Exchange Commission to the effect that a proposed transfer of the Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for or reasonably acceptable to the Trust to the effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws; and

(viii) The transfer, assignment and conveyance of the Contributed Assets by the Bank to the Trust is not subject to bulk transfer laws or any similar statutory provisions in effect in any applicable jurisdiction.

(b) The Bank hereby represents and warrants with respect to each Mortgage Loan that, as of the date specified below or, if no such date is specified, as of the Closing Date:

(i) the information set forth with respect to the Mortgage Loans is true and correct in all material respects at the date or dates respecting which such information is furnished as specified therein;

(ii) the Bank is the sole owner and holder of each Mortgage Loan, free and clear of any and all liens, pledges, charges or security interest of any nature and has full right and authority to transfer and assign the same;

(iii) the Bank has not advanced funds, directly or indirectly, for the payment of any amount required by any Mortgage, except for interest accruing from the date of related Mortgage Loan or date of disbursement of any Mortgage Loan proceeds, whichever is later, to the date which precedes by 30 days the first due date under any related Mortgage Loan;

(iv) the Bank has no knowledge of any proceeding pending or threatened for the total or partial condemnation of any Mortgaged Property and any Mortgaged Property is undamaged by water, fire, earthquake or earth

flood, tornado or similar casualty (excluding casualty from the presence of hazardous wastes or hazardous substances, as to which the Bank makes no representation), so as to affect adversely the value of any Mortgaged Property as security for any Mortgage Loan or the use for which such premises were intended;

(v) each Mortgage Loan meets, or is exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury, and such Mortgage Note is not usurious; any and all requirements of any federal, state or local law with respect to the origination of the Mortgage Loans including, without limitation, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity or disclosure laws applicable to the Mortgage Loans have been complied with;

(vi) each Mortgage Note, related Mortgage and other agreements executed in connection therewith are genuine, and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceedings in equity or at law); and, to the best of the Bank's knowledge, all parties to each Mortgage Note had legal capacity to execute each such Mortgage Note and each such Mortgage Note has been duly and properly executed by the mortgagor;

(vii) the Mortgaged Property securing each Mortgage Note is insured by an insurer against loss by fire and such hazards as are covered under a standard extended coverage endorsement, in an amount which is not less than the lesser of 100% of the insurable value of the Mortgage Property and the outstanding principal balance of the Mortgage Note, but in no event less than the minimum amount necessary to fully compensate for any damage or loss on a replacement cost basis; if the Mortgaged Property is a condominium unit, it is included under the coverage afforded by a blanket policy for the project;

(viii) the Bank has no knowledge of any default, breach, violation or event of acceleration existing

under any Mortgage or the related Mortgage Note or any event which, with the passage of time or with notice and the expiration of any grace

-5-

or cure period, would constitute a default, breach, violation or event of acceleration; the Bank has not waived any default, breach, violation or event of acceleration; no foreclosure action is threatened or has been commenced by the Bank with respect to any Mortgage Note;

(ix) each Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security, including realization by judicial foreclosure (subject to any limitation arising from any bankruptcy, insolvency or other law for the relief of debtors), and there is no homestead or other exemption available to the mortgagor which would interfere with such right of foreclosure; and

(x) the Bank has no knowledge that any mortgagor is a debtor in any state or federal bankruptcy or insolvency proceeding.

No representations or warranties are made by the Bank as to the absence or effect of hazardous wastes or hazardous substances on any of the Mortgaged Properties or on the lien of any Mortgage or with respect to the absence or effect of fraud in the origination of any Mortgage Note, and any loss or liability resulting from the presence or effect of such hazardous wastes, hazardous substances or fraud will be borne solely by the Trust.

3. Notice of Breach: Cure and Repurchase.

(a) The Trust shall give the Bank notice of any breach of any representation or warranty regarding the Mortgage Loans (a "Breach") or any defect thereof (a "Defect") that materially and adversely affects the value of such Mortgage Loan.

(b) Upon notice pursuant to Section 3(a) herein, the Bank shall, not later than the earlier of 90 days from the Bank's receipt of the notice or the Bank's discovery of such Breach, cure such Defect or Breach, as the case may be, in all material respects or reacquire the affected Mortgage Loan at the applicable Reacquisition Price (as defined below). If the affected Mortgage Loan is to be reacquired, the Bank shall remit the Reacquisition Price to the Trust.

The "Reacquisition Price" with respect to any Mortgage Loan to be reacquired pursuant to this Agreement shall be the book value of any such Mortgage Loan as of the Cutoff Date.

-6-

(c) Upon any reacquisition of a Mortgage Loan contemplated by this Section 3(b), any servicer of the Mortgage Loans, at the instruction of the Trust, shall tender to the Bank or any person designated by the Bank, all portions of the mortgage file, as such term is defined in the applicable servicing agreement, and other documents pertaining to such Mortgage Loan possessed by it, and each document that constitutes a part of the mortgage file that was endorsed or assigned to the Trust shall be endorsed or assigned, as the case may be, to the Bank or any person designated by the Bank.

(d) This Section 3 of this Agreement provides the sole remedy available to the Trust respecting any Defect in a mortgage file or any Breach of any representation or warranty set forth in or required to be made pursuant to Section 2 of this Agreement.

4. Representations, Warranties and Agreements of the Trust.

(a) The Trust hereby represents and warrants to the Bank, as of the date hereof and as of the Closing Date, as follows:

(i) The Trust is a real estate investment trust duly organized, validly existing and in good standing under the laws of the State of Maryland, with full corporate power and authority to own its assets and conduct its business, and the Trust has taken all necessary action to authorize the execution, delivery and performance of this Agreement by it, and has the power and authority to execute, deliver and perform this Agreement and all the transactions contemplated hereby;

(ii) Assuming the due authorization, execution and delivery of this Agreement by the Trust, this Agreement and all of the obligations of the Trust hereunder are the legal, valid and binding obligations of the Trust, enforceable against the Trust in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(iii) The execution and delivery of this Agreement by the Trust and the performance of its obligations hereunder will not conflict with any provision of any law or regulation to which the Trust is subject, or conflict with, result in a breach of or constitute a default under any of the terms, conditions or provisions of any of the Trust's organizational

-7-

documents or any agreement or instrument to which the Trust is a party or by which it is bound, or any order or decree applicable to the Trust, or result in the creation or imposition of any lien on any of the Trust's assets or property, in each case which would materially and adversely affect the ability of the Trust to carry out the transactions contemplated by this Agreement;

(iv) There is no action, suit, proceeding or investigation pending or, to the knowledge of the Trust, threatened against the Trust in any court or by or before any other governmental agency or instrumentality which would materially and adversely affect the validity of this Agreement or any action taken in connection with the obligations of the Trust contemplated herein, or which would be likely to impair materially the ability of the Trust to perform under the terms of this Agreement;

(v) The Trust is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or otherwise) or operations of the Trust or its properties or might have consequences that would materially and adversely affect its performance hereunder;

(vi) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Trust of or compliance by the Trust with this Agreement or the consummation of the transactions contemplated by this Agreement other than those that have been obtained by the Trust; and

(vii) Upon the issuance of the Shares as provided herein, the Shares will be duly and validly issued, fully paid and non-assessable. The Shares, when issued and delivered to the Bank, will not be subject to preemptive rights.

5. Trust's Conditions to Closing.

The obligations of the Trust under this Agreement shall be subject to the satisfaction, on the Closing Date, of the following conditions:

(a) The obligations of the Bank required to be performed by it at or prior to the Closing Date pursuant to the terms of this Agreement shall have been duly performed and complied with and all of the representations and

-8-

warranties of the Bank under this Agreement shall be true and correct as of the date hereof and as of the Closing Date, and no event shall have occurred which, with notice or the passage of time, or both, would constitute a default under this Agreement.

(b) The Trust or its designee shall have received all of the following closing documents, in such forms as are agreed upon and acceptable to the Trust and in form and substance satisfactory to the Trust and the Trust's counsel, duly executed by all signatories other than the Trust as required pursuant to the respective terms thereof:

(i) with respect to each Mortgage Loan, the related mortgage file, which mortgage files shall be held by the servicer on behalf of the Trust pursuant to the terms of the servicing agreement between the Trust and Servicer dated as of the Closing Date; and

(ii) the final Mortgage Loan Schedule.

(c) The Bank hereby agrees to furnish such other information, documents, certificates, letters or opinions with respect to the Mortgage Loans or itself as may be reasonably requested by the Trust in order for the Trust to perform any of its obligations or satisfy any of the conditions on its part to be performed or satisfied pursuant to this Agreement.

6. Bank's Conditions to Closing.

The obligations of the Bank under this Agreement shall be subject to the satisfaction, on the Closing Date, of the following conditions:

(a) The obligations of the Trust required to be performed by it at or prior to the Closing Date pursuant to the terms of this Agreement shall have been duly performed and complied with and all of the representations and warranties of the Trust under this Agreement shall be true and correct as of the date hereof and as of the Closing Date, and no event shall have occurred which, with notice or the passage of time, or both, would constitute a default under this Agreement.

(b) The Bank or its designee shall have received a certificate representing the Shares duly executed by the authorized officers of the Trust.

7. Share Legend. All Shares to be issued to the Bank pursuant to this Agreement shall be subject to the provisions of this Agreement, and the certificates representing such Shares shall bear the following legend:

-9-

"The Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and are "restricted securities" as that term is defined in Rule 144A under the Act. The Shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Trust."

8. Notices. All communications hereunder shall be in writing and effective only upon receipt and, if sent to the Trust, will be mailed, hand delivered, couriered or sent by facsimile transmission to it at 100 North Tryon Street, 23rd Floor, NC1-007-23-01 Charlotte, North Carolina 28255, attention of John E. Mack, President, fax number (704) 386-0270 or, if sent to the Bank, will be mailed, hand delivered or sent by facsimile transmission to it c/o NationsBank Corporation, Legal Department, at 100 North Tryon Street, 20th Floor, Charlotte, North Carolina 28255 attention of George Walls, Esq., fax number (704)386-6453.

9. Miscellaneous. This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated except by a writing signed by the party against whom enforcement of such change, waiver, discharge or termination is sought. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, and no other person will have any right or obligation hereunder, other than as provided herein. Notwithstanding the immediately preceding sentence, neither party hereto may assign this Agreement without the prior written consent of the other party hereto.

10. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement, or in certificates of officers of the Bank and the Trust submitted pursuant hereto, shall remain operative and in full force and effect and shall survive conveyance, assignment and transfer of the Contributed Assets to the Trust notwithstanding any language to the contrary contained in any endorsement of any Mortgage Loan.

11. Severability. If any provision of this Agreement shall be prohibited or invalid under applicable law, this Agreement shall be ineffective only to such extent, without invalidating the remainder of this Agreement.

-10-

12. Further Assurances. The Bank and the Trust agree to execute and deliver such instruments and take such actions as the other party may, from time to time, reasonably request in order to effectuate the purpose and to carry out the terms of this Agreement.

[Signature page follows]

-11-

IN WITNESS WHEREOF, the Trust and the Bank have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

NATIONSBANK, N.A. (SOUTH)

By: /s/ Gary S. Williams

Name: Gary S. Williams
Title: Senior Vice President

MAIN PLACE REAL ESTATE
INVESTMENT TRUST

By: /s/ Gary S. Williams

Name: Gary S. Williams
Title: Senior Vice President

-12-

EXHIBIT A

MORTGAGE LOAN SCHEDULE

[DELIVERED TO THE TRUST]

-13-

EXHIBIT B

MORTGAGE LOAN ASSIGNMENT

-14-

MORTGAGE LOAN ASSIGNMENT
Dated as of November 1, 1996

This Mortgage Loan Assignment (the "Assignment") dated as of November 1, 1996, is among Main Place Real Estate Investment Trust, a Maryland business trust (the "Trust"), NationsBank, N.A. (South), a national banking association (the "Transferor"), and NationsBanc Mortgage Corporation, a Texas corporation ("NationsBanc Mortgage").

WITNESSETH THAT:

WHEREAS, the Transferor and the Trust have entered into a Mortgage Loan Contribution Agreement, dated as of October 30, 1996 (the "Contribution Agreement"), providing for the contribution of certain mortgage loans by the Transferor to the Trust and the receipt by the Trust of such mortgage loans;

WHEREAS, Transferor holds one of the following types of interest in each mortgage loan (each, a "Mortgage Loan" and collectively, "Mortgage Loans") described on Exhibit A to the Contribution Agreement: (i) 100% of all legal and beneficial ownership interests in the related promissory note, bond or other evidence of indebtedness (each, a "Mortgage Note"), mortgage, deed of trust, deed to secure debt or other security interest (each, a "Mortgage") and all other documents executed and delivered by the related Mortgage Loan Borrower ("Borrower") or any other person in favor of the owner and holder of the related Mortgage Loan (together with the Mortgage Loan and Mortgage, the "Mortgage Loan Documents"), or (ii) a 100% undivided participation interest in the related Mortgage Loan and Mortgage Loan Documents pursuant to a Loan Participation Agreement dated as of January 1, 1991 between NationsBanc Mortgage and the Transferor, as amended through the date hereof (the "Loan Participation Agreement"). Each Mortgage Loan falling within the description of clause (i) above shall hereinafter be referred to as a "Purchased Mortgage Loan." Each Mortgage Loan falling within the description of clause (ii) above shall hereinafter be referred to as a "Participation Mortgage Loan."

WHEREAS, pursuant to Section 4 of the Loan Participation Agreement, Transferor has the power to cause NationsBanc Mortgage to transfer legal title to such Mortgage Loans in accordance with Transferor's instructions;

-2-

WHEREAS, Transferor desires to terminate its participation interest in the Participation Mortgage Loans and to have NationsBanc Mortgage transfer legal

title to the Participation Mortgage Loans to Transferor; and

WHEREAS, Transferor desires to assign, convey and transfer legal and equitable title to the Participation Mortgage Loans and the Purchased Mortgage Loans to the Trust pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter contained, it is mutually covenanted and agreed as follows (all capitalized terms not defined herein shall have the meanings ascribed to them in the Contribution Agreement):

1. Termination of Participation and Transfer of Legal Title. Pursuant to Section 4 of the Loan Participation Agreement, Transferor hereby instructs NationsBanc Mortgage to transfer, and NationsBanc Mortgage does hereby transfer, to Transferor all of NationsBanc Mortgage's right, title and interest in and to the Participation Mortgage Loans.

2. Assignment of Mortgage Loans. For and in consideration of the Consideration, the receipt and sufficiency of which is hereby acknowledged by the Transferor, Transferor does hereby assign, transfer, set over and otherwise convey to the Trust, its successors and assigns, all of its right, title and interest in and to the Mortgage Loans as provided for in the Contribution Agreement.

NationsBanc Mortgage hereby agrees to endorse or cause to be endorsed in blank each Mortgage Note as to which NationsBanc Mortgage is the named holder and further agrees to deliver possession of such Mortgage Notes and any related files to the Trust or to any other person upon the instruction of the Trust.

Transferor also hereby agrees to endorse or cause to be endorsed in blank each Mortgage Note as to which Transferor is the named holder and further agrees to deliver possession of such Mortgage Note and any related files to the Trust or to any other person upon the instruction of the Trust.

At the Trust's request, NationsBanc Mortgage and Transferor shall execute and deliver in addition to the foregoing any other documents to further evidence the transfers contemplated herein, including but not limited to assignments in recordable form, to the Trust or any person upon the instruction of the Trust.

Each party hereto represents, warrants and covenants to each other party that it is their intent that the foregoing transactions result in

-3-

the irrevocable transfer of all legal and equitable ownership interest in the Mortgage Loans to the Trust and its successors and assigns forever as of the

date hereof in accordance with all applicable law. To the extent the foregoing is insufficient under any applicable law or otherwise to constitute a transfer, however, each party hereby expressly declares that it is their intention that Transferor irrevocably grant to the Trust a 100% undivided participation interest in Transferor's interest in the Mortgage Loans and Transferor does hereby irrevocably grant to the Trust a 100% undivided participation interest in the Transferor's interest in the Mortgage Loans to the Trust and its successors and assigns forever.

All transfers, assignments, grants and conveyances set forth herein are made without recourse to or representation or warranty by Transferor except to the extent specifically set forth herein and in the Contribution Agreement.

3. Representations and Warranties. Transferor hereby represents and warrants to the Trust as of the date of this Agreement that the representations and warranties made by the Transferor to the Trust in that certain Contribution Agreement are true and correct as of the date hereof.

4. Custody of Loan Documents. It is agreed that NationsBanc Mortgage shall retain physical possession of the Mortgage Loan Documents and shall hold the Mortgage Loan Documents in trust for the benefit of the Trust and its successors and assigns in accordance with the terms of that certain Servicing Agreement dated as of November 1, 1996 between NationsBanc Mortgage and the Trust.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law.

6. Counterparts. This Agreement may be executed in a number of counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one Agreement.

-4-

IN WITNESS WHEREOF, the Trust and Transferor have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

MAIN PLACE REAL ESTATE
INVESTMENT TRUST

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

NATIONSBANK, N.A. (SOUTH)

By: /s/ Gary S. Williams

Name: Gary S. Williams
Title: Senior Vice President

NATIONSBANC MORTGAGE CORPORATION

By: /s/ Frederick Wark

Name: Frederick Wark
Title: Senior Vice President

-5-

MORTGAGE LOAN CONTRIBUTION AGREEMENT

This Mortgage Loan Contribution Agreement, is made this 30th day of October, 1996 (this "Agreement"), by and between NationsBank, N.A., a national banking association (the "Bank"), and Main Place Real Estate Investment Trust, a Maryland real estate investment trust (the "Trust").

WHEREAS, the Bank owns all of the issued and outstanding Class A Common Shares of Beneficial Interest, par value \$1.00 per share (the "Class A Trust Shares"), of the Trust;

WHEREAS, the Bank owns the residential mortgage loans identified on Exhibit A hereto (the "Mortgage Loans" and the "Mortgage Loan Schedule," respectively);

WHEREAS, the Bank desires to contribute the Mortgage Loans to the Trust in exchange for the issuance by the Trust of 18,318 Class A Trust Shares (the "Shares") to the Bank upon the terms and conditions hereinafter set forth; and

WHEREAS, the Trust desires to accept the contribution of the Mortgage Loans by the Bank and issue the Shares to the Bank in consideration for such contribution;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Contribution; Issuance of Shares.

(a) The Bank hereby agrees to contribute (the "Contribution") to the Trust, on November 1, 1996 (the "Closing Date"), subject to the terms and conditions of this Agreement, all the right, title and interest of the Bank in and to the Mortgage Loans, including all servicing rights and all interest and principal due on or with respect to the Mortgage Loans together with all of the Bank's right, title and interest in and to the proceeds of any related title, hazard, primary mortgage or other insurance policies (collectively, the "Contributed Assets"). The Contribution shall be effected pursuant to a Mortgage Loan Assignment in the form attached hereto as Exhibit B. The closing of the Contribution shall take place at the offices of Stroock & Stroock & Lavan at 10:00 a.m. (eastern standard time) on the Closing Date.

(b) In consideration of the Contribution by the Bank to the Trust, the Trust hereby agrees to issue to the Bank, on the Closing Date, subject to the terms and conditions of this Agreement, the Shares, receipt of

which by the Bank shall be deemed to constitute full and adequate consideration from the Trust for the Bank's interest in the Contributed Assets to be contributed by the Bank pursuant to Section 1(a) hereof.

(c) In the event any mortgage loan is or becomes an Ineligible Mortgage Loan (as defined below), the Bank shall, upon the Trust's request, made at any time prior to or after the Closing Date, replace such Mortgage Loan with a substitute Mortgage Loan meeting the selection criteria established by the Trust in which case the Bank shall cause the Mortgage Loan Schedule to be amended. The term "Ineligible Mortgage Loan" means a mortgage loan which has any of the following characteristics as of the Cutoff Date (as hereinafter defined): (i) the Mortgage Loan is 30 days past due; (ii) a default, breach, violation or event of acceleration has occurred with respect to the mortgage loan; (iii) a foreclosure action has been commenced; or (iv) the related mortgagor is a debtor in a state or federal bankruptcy or insolvency proceeding. On the Closing Date, the Bank shall deliver the final Mortgage Loan Schedule to the Trust.

(d) The Bank and the Trust hereby agree that the aggregate book value of the Mortgage Loans at September 30, 1996 (the "Cutoff Date") is \$1,997,260,579.09 and that the aggregate fair market value of the Mortgage Loans at the Cutoff Date is approximately equal to the aggregate book value thereof.

2. Representations and Warranties of the Bank.

(a) The Bank hereby represents and warrants to the Trust as of the date hereof and as of Closing Date as follows:

(i) The Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States, with full corporate power and authority to own its assets and conduct its business, and the Bank has taken all necessary action to authorize the execution, delivery and performance of this Agreement by it, and has the power and authority to execute, deliver and perform this Agreement and all the transactions contemplated hereby, including, but not limited to, the power and authority to convey, assign and transfer the Contributed Assets in accordance with this Agreement;

(ii) Assuming the due authorization, execution and delivery of this Agreement by the Trust, this Agreement and all of the obligations of the Bank hereunder are the legal, valid and binding obligations of the Bank, enforceable against the Bank in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(iii) The execution and delivery of this Agreement by the Bank and the performance of its obligations hereunder will not conflict with any provision of any law or regulation to which the Bank is subject, or conflict with, result in a breach of or constitute a default under any of the terms, conditions or provisions of any of the Bank's organizational documents or any agreement or instrument to which the Bank is a party or by which it is bound, or any order or decree applicable to the Bank, or result in the creation or imposition of any lien on any of the Bank's assets or property, in each case which would materially and adversely affect the ability of the Bank to carry out the transactions contemplated by this Agreement;

(iv) There is no action, suit, proceeding or investigation pending or, to the knowledge of the Bank, threatened against the Bank in any court or by or before any other governmental agency or instrumentality which would materially and adversely affect the value of the Contributed Assets or the ability of the Bank to carry out the transactions contemplated by this Agreement;

(v) The Bank is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or other) or operations of the Bank or its properties or might have consequences that would materially and adversely affect its performance hereunder;

(vi) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Bank of or compliance by the Bank with this Agreement or the consummation of the transactions contemplated by this Agreement, other than those which have been obtained by the Bank;

(vii) The Bank is acquiring the Shares for its own account, for investment and not with a view to the sale or distribution thereof or with any present intention of selling or distributing any thereof, except in conformity with the

Securities Act of 1933, as amended (the "Securities Act"). The Bank understands and acknowledges that the Shares are not registered under the Securities Act and will not be transferable except (i) pursuant to an effective registration statement under the Securities Act, (ii) pursuant to Rule 144 or any successor rule under the Securities Act, (iii) pursuant to a no-action letter issued by the Securities and Exchange Commission to the effect that a proposed transfer of the Shares may be made without registration under the Securities Act or (iv) pursuant to an opinion of counsel for or reasonably acceptable to the Trust to the effect that the proposed transfer is exempt from registration or qualification under the Securities Act and relevant state securities laws; and

(viii) The transfer, assignment and conveyance of the Contributed Assets by the Bank to the Trust is not subject to bulk transfer laws or any similar statutory provisions in effect in any applicable jurisdiction.

(b) The Bank hereby represents and warrants with respect to each Mortgage Loan that, as of the date specified below or, if no such date is specified, as of the Closing Date:

(i) the information set forth with respect to the Mortgage Loans is true and correct in all material respects at the date or dates respecting which such information is furnished as specified therein;

(ii) the Bank is the sole owner and holder of each Mortgage Loan, free and clear of any and all liens, pledges, charges or security interest of any nature and has full right and authority to transfer and assign the same;

(iii) the Bank has not advanced funds, directly or indirectly, for the payment of any amount required by any Mortgage, except for interest accruing from the date of related Mortgage Loan or date of disbursement of any Mortgage Loan proceeds, whichever is later, to the date which precedes by 30 days the first due date under any related Mortgage Loan;

(iv) the Bank has no knowledge of any proceeding pending or threatened for the total or partial condemnation of any Mortgaged Property and any Mortgaged Property is undamaged by water, fire, earthquake or earth movement, windstorm, flood, tornado or similar casualty (excluding casualty from the presence of hazardous wastes or hazardous substances, as

to which the Bank makes no representation), so as to affect adversely the value of any Mortgaged Property as security for any Mortgage Loan or the use for which such premises were intended;

(v) each Mortgage Loan meets, or is exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury, and such Mortgage Note is not usurious; any and all requirements of any federal, state or local law with respect to the origination of the Mortgage Loans including, without limitation, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity or disclosure laws applicable to the Mortgage Loans have been complied with;

(vi) each Mortgage Note, related Mortgage and other agreements executed in connection therewith are genuine, and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceedings in equity or at law); and, to the best of the Bank's knowledge, all parties to each Mortgage Note had legal capacity to execute each such Mortgage Note and each such Mortgage Note has been duly and properly executed by the mortgagor;

(vii) the Mortgaged Property securing each Mortgage Note is insured by an insurer against loss by fire and such hazards as are covered under a standard extended coverage endorsement, in an amount which is not less than the lesser of 100% of the insurable value of the Mortgage Property and the outstanding principal balance of the Mortgage Note, but in no event less than the minimum amount necessary to fully compensate for any damage or loss on a replacement cost basis; if the Mortgaged Property is a condominium unit, it is included under the coverage afforded by a blanket policy for the project;

(viii) the Bank has no knowledge of any default, breach, violation or event of acceleration existing under any Mortgage or the related Mortgage Note or any event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration; the Bank

has not waived any default, breach, violation or event of acceleration; no foreclosure action is threatened or has been commenced by the Bank with respect to any Mortgage Note;

-5-

(ix) each Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security, including realization by judicial foreclosure (subject to any limitation arising from any bankruptcy, insolvency or other law for the relief of debtors), and there is no homestead or other exemption available to the mortgagor which would interfere with such right of foreclosure; and

(x) the Bank has no knowledge that any mortgagor is a debtor in any state or federal bankruptcy or insolvency proceeding.

No representations or warranties are made by the Bank as to the absence or effect of hazardous wastes or hazardous substances on any of the Mortgaged Properties or on the lien of any Mortgage or with respect to the absence or effect of fraud in the origination of any Mortgage Note, and any loss or liability resulting from the presence or effect of such hazardous wastes, hazardous substances or fraud will be borne solely by the Trust.

3. Notice of Breach: Cure and Repurchase.

(a) The Trust shall give the Bank notice of any breach of any representation or warranty regarding the Mortgage Loans (a "Breach") or any defect thereof (a "Defect") that materially and adversely affects the value of such Mortgage Loan.

(b) Upon notice pursuant to Section 3(a) herein, the Bank shall, not later than the earlier of 90 days from the Bank's receipt of the notice or the Bank's discovery of such Breach, cure such Defect or Breach, as the case may be, in all material respects or reacquire the affected Mortgage Loan at the applicable Reacquisition Price (as defined below). If the affected Mortgage Loan is to be reacquired, the Bank shall remit the Reacquisition Price to the Trust.

The "Reacquisition Price" with respect to any Mortgage Loan to be reacquired pursuant to this Agreement shall be the book value of any such Mortgage Loan as of the Cutoff Date.

(c) Upon any reacquisition of a Mortgage Loan contemplated by this Section 3(b), any servicer of the Mortgage Loans, at the instruction of the

Trust, shall tender to the Bank or any person designated by the Bank, all portions of the mortgage file, as such term is defined in the applicable servicing agreement, and other documents pertaining to such Mortgage Loan possessed by it, and each document that constitutes a part of the mortgage file that was endorsed or assigned to the Trust shall be endorsed or assigned, as the case may be, to the Bank or any person designated by the Bank.

(d) This Section 3 of this Agreement provides the sole remedy available to the Trust respecting any Defect in a mortgage file or any Breach of any representation or warranty set forth in or required to be made pursuant to Section 2 of this Agreement.

4. Representations, Warranties and Agreements of the Trust.

(a) The Trust hereby represents and warrants to the Bank, as of the date hereof and as of the Closing Date, as follows:

(i) The Trust is a real estate investment trust duly organized, validly existing and in good standing under the laws of the State of Maryland, with full corporate power and authority to own its assets and conduct its business, and the Trust has taken all necessary action to authorize the execution, delivery and performance of this Agreement by it, and has the power and authority to execute, deliver and perform this Agreement and all the transactions contemplated hereby;

(ii) Assuming the due authorization, execution and delivery of this Agreement by the Trust, this Agreement and all of the obligations of the Trust hereunder are the legal, valid and binding obligations of the Trust, enforceable against the Trust in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(iii) The execution and delivery of this Agreement by the Trust and the performance of its obligations hereunder will not conflict with any provision of any law or regulation to which the Trust is subject, or conflict with, result in a breach of or constitute a default under any of the terms, conditions or provisions of any of the Trust's organizational

documents or any agreement or instrument to which the Trust is a party or by which it is bound, or any order or decree

-7-

applicable to the Trust, or result in the creation or imposition of any lien on any of the Trust's assets or property, in each case which would materially and adversely affect the ability of the Trust to carry out the transactions contemplated by this Agreement;

(iv) There is no action, suit, proceeding or investigation pending or, to the knowledge of the Trust, threatened against the Trust in any court or by or before any other governmental agency or instrumentality which would materially and adversely affect the validity of this Agreement or any action taken in connection with the obligations of the Trust contemplated herein, or which would be likely to impair materially the ability of the Trust to perform under the terms of this Agreement;

(v) The Trust is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or otherwise) or operations of the Trust or its properties or might have consequences that would materially and adversely affect its performance hereunder;

(vi) No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Trust of or compliance by the Trust with this Agreement or the consummation of the transactions contemplated by this Agreement other than those that have been obtained by the Trust; and

(vii) Upon the issuance of the Shares as provided herein, the Shares will be duly and validly issued, fully paid and non-assessable. The Shares, when issued and delivered to the Bank, will not be subject to preemptive rights.

5. Trust's Conditions to Closing.

The obligations of the Trust under this Agreement shall be subject to the satisfaction, on the Closing Date, of the following conditions:

(a) The obligations of the Bank required to be performed by it at or prior to the Closing Date pursuant to the terms of this Agreement shall have been duly performed and complied with and all of the representations and warranties of the Bank under this Agreement shall be true and correct as of the date hereof and as of the Closing Date, and no event shall have occurred which, with notice or the passage of time, or both, would constitute a default under this Agreement.

-8-

(b) The Trust or its designee shall have received all of the following closing documents, in such forms as are agreed upon and acceptable to the Trust and in form and substance satisfactory to the Trust and the Trust's counsel, duly executed by all signatories other than the Trust as required pursuant to the respective terms thereof:

(i) with respect to each Mortgage Loan, the related mortgage file, which mortgage files shall be held by the servicer on behalf of the Trust pursuant to the terms of the servicing agreement between the Trust and Servicer dated as of the Closing Date; and

(ii) the final Mortgage Loan Schedule.

(c) The Bank hereby agrees to furnish such other information, documents, certificates, letters or opinions with respect to the Mortgage Loans or itself as may be reasonably requested by the Trust in order for the Trust to perform any of its obligations or satisfy any of the conditions on its part to be performed or satisfied pursuant to this Agreement.

6. Bank's Conditions to Closing.

The obligations of the Bank under this Agreement shall be subject to the satisfaction, on the Closing Date, of the following conditions:

(a) The obligations of the Trust required to be performed by it at or prior to the Closing Date pursuant to the terms of this Agreement shall have been duly performed and complied with and all of the representations and warranties of the Trust under this Agreement shall be true and correct as of the date hereof and as of the Closing Date, and no event shall have occurred which, with notice or the passage of time, or both, would constitute a default under this Agreement.

(b) The Bank or its designee shall have received a certificate representing the Shares duly executed by the authorized officers of the Trust.

7. Share Legend. All Shares to be issued to the Bank pursuant to this Agreement shall be subject to the provisions of this Agreement,

and the certificates representing such Shares shall bear the following legend:

-9-

"The Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and are "restricted securities" as that term is defined in Rule 144A under the Act. The Shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Trust."

8. Notices. All communications hereunder shall be in writing and effective only upon receipt and, if sent to the Trust, will be mailed, hand delivered, couriered or sent by facsimile transmission to it at 100 North Tryon Street, 23rd Floor, NC1-007-23-01 Charlotte, North Carolina 28255, attention of John E. Mack, President, fax number (704) 386-0270 or, if sent to the Bank, will be mailed, hand delivered or sent by facsimile transmission to it c/o NationsBank Corporation, Legal Department, at 100 North Tryon Street, 20th Floor, Charlotte, North Carolina 28255 attention of George Walls, Esq., fax number (704)386-6453.

9. Miscellaneous. This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated except by a writing signed by the party against whom enforcement of such change, waiver, discharge or termination is sought. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, and no other person will have any right or obligation hereunder, other than as provided herein. Notwithstanding the immediately preceding sentence, neither party hereto may assign this Agreement without the prior written consent of the other party hereto.

10. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement, or in certificates of officers of the Bank and the Trust submitted pursuant hereto, shall remain operative and in full force and effect and shall survive conveyance, assignment and transfer of the Contributed Assets to the Trust notwithstanding any language to the contrary contained in any endorsement of any Mortgage Loan.

11. Severability. If any provision of this Agreement shall be prohibited or invalid under applicable law, this Agreement shall be ineffective only to such extent, without invalidating the remainder of this Agreement.

12. Further Assurances. The Bank and the Trust agree to execute and deliver such instruments and take such actions as the other party may, from time to time, reasonably request in order to effectuate the purpose and to carry out the terms of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Trust and the Bank have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

NATIONSBANK, N.A.

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

MAIN PLACE REAL ESTATE
INVESTMENT TRUST

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

EXHIBIT A

MORTGAGE LOAN SCHEDULE

[DELIVERED TO THE TRUST]

EXHIBIT B

MORTGAGE LOAN ASSIGNMENT

MORTGAGE LOAN ASSIGNMENT
Dated as of November 1, 1996

This Mortgage Loan Assignment (the "Assignment") dated as of November 1, 1996, is among Main Place Real Estate Investment Trust, a Maryland business trust (the "Trust"), NationsBank, N.A., a national banking association (the "Transferor"), and NationsBanc Mortgage Corporation, a Texas corporation ("NationsBanc Mortgage").

WITNESSETH THAT:

WHEREAS, the Transferor and the Trust have entered into a Mortgage Loan Contribution Agreement, dated as of October 30, 1996 (the "Contribution Agreement"), providing for the contribution of certain mortgage loans by the Transferor to the Trust and the receipt by the Trust of such mortgage loans;

WHEREAS, Transferor holds one of the following types of interest in each mortgage loan (each, a "Mortgage Loan" and collectively, "Mortgage Loans") described on Exhibit A to the Contribution Agreement: (i) 100% of all legal and beneficial ownership interests in the related promissory note, bond or other evidence of indebtedness (each, a "Mortgage Note"), mortgage, deed of trust, deed to secure debt or other security interest (each, a "Mortgage") and all other documents executed and delivered by the related Mortgage Loan Borrower ("Borrower") or any other person in favor of the owner and holder of the related Mortgage Loan (together with the Mortgage Loan and Mortgage, the "Mortgage Loan Documents"), or (ii) a 100% undivided participation interest in the related Mortgage Loan and Mortgage Loan Documents pursuant to a Loan Participation Agreement dated as of January 1, 1991 between NationsBanc Mortgage and the Transferor, as amended through the date hereof (the "Loan Participation Agreement"). Each Mortgage Loan falling within the description of clause (i) above shall hereinafter be referred to as a "Purchased Mortgage Loan." Each Mortgage Loan falling within the description of clause (ii) above shall hereinafter be referred to as a "Participation Mortgage Loan."

WHEREAS, pursuant to Section 4 of the Loan Participation Agreement, Transferor has the power to cause NationsBanc Mortgage to transfer legal title to such Mortgage Loans in accordance with Transferor's instructions;

WHEREAS, Transferor desires to terminate its participation interest in the Participation Mortgage Loans and to have NationsBanc Mortgage transfer legal title to the Participation Mortgage Loans to Transferor; and

WHEREAS, Transferor desires to assign, convey and transfer legal and

equitable title to the Participation Mortgage Loans and the Purchased Mortgage Loans to the Trust pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter contained, it is mutually covenanted and agreed as follows (all capitalized terms not defined herein shall have the meanings ascribed to them in the Contribution Agreement):

1. Termination of Participation and Transfer of Legal Title. Pursuant to Section 4 of the Loan Participation Agreement, Transferor hereby instructs NationsBanc Mortgage to transfer, and NationsBanc Mortgage does hereby transfer, to Transferor all of NationsBanc Mortgage's right, title and interest in and to the Participation Mortgage Loans.

2. Assignment of Mortgage Loans. For and in consideration of the Consideration, the receipt and sufficiency of which is hereby acknowledged by the Transferor, Transferor does hereby assign, transfer, set over and otherwise convey to the Trust, its successors and assigns, all of its right, title and interest in and to the Mortgage Loans as provided for in the Contribution Agreement.

NationsBanc Mortgage hereby agrees to endorse or cause to be endorsed in blank each Mortgage Note as to which NationsBanc Mortgage is the named holder and further agrees to deliver possession of such Mortgage Notes and any related files to the Trust or to any other person upon the instruction of the Trust.

Transferor also hereby agrees to endorse or cause to be endorsed in blank each Mortgage Note as to which Transferor is the named holder and further agrees to deliver possession of such Mortgage Note and any related files to the Trust or to any other person upon the instruction of the Trust.

At the Trust's request, NationsBanc Mortgage and Transferor shall execute and deliver in addition to the foregoing any other documents to further evidence the transfers contemplated herein, including but not limited to assignments in recordable form, to the Trust or any person upon the instruction of the Trust.

Each party hereto represents, warrants and covenants to each other party that it is their intent that the foregoing transactions result in

-2-

the irrevocable transfer of all legal and equitable ownership interest in the Mortgage Loans to the Trust and its successors and assigns forever as of the date hereof in accordance with all applicable law. To the extent the foregoing is insufficient under any applicable law or otherwise to constitute a transfer, however, each party hereby expressly declares that it is their intention that

Transferor irrevocably grant to the Trust a 100% undivided participation interest in Transferor's interest in the Mortgage Loans and Transferor does hereby irrevocably grant to the Trust a 100% undivided participation interest in the Transferor's interest in the Mortgage Loans to the Trust and its successors and assigns forever.

All transfers, assignments, grants and conveyances set forth herein are made without recourse to or representation or warranty by Transferor except to the extent specifically set forth herein and in the Contribution Agreement.

3. Representations and Warranties. Transferor hereby represents and warrants to the Trust as of the date of this Agreement that the representations and warranties made by the Transferor to the Trust in that certain Contribution Agreement are true and correct as of the date hereof.

4. Custody of Loan Documents. It is agreed that NationsBanc Mortgage shall retain physical possession of the Mortgage Loan Documents and shall hold the Mortgage Loan Documents in trust for the benefit of the Trust and its successors and assigns in accordance with the terms of that certain Servicing Agreement dated as of November 1, 1996 between NationsBanc Mortgage and the Trust.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law.

6. Counterparts. This Agreement may be executed in a number of counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one Agreement.

-3-

IN WITNESS WHEREOF, the Trust and Transferor have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

MAIN PLACE REAL ESTATE
INVESTMENT TRUST

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

NATIONSBANK, N.A.

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

NATIONSBANC MORTGAGE CORPORATION

By: /s/ Frederick Wark

Name: Frederick Wark

Title: Senior Vice President

MAIN PLACE FUNDING CORPORATION

Main Place Funding Corporation (the "Corporation"), as borrower under that certain Amended and Restated Credit Agreement (the "Amended and Restated Credit Agreement") dated as of October 31, 1995 with NationsBank of Texas, N.A. ("NationsBank Texas") for the benefit of First Trust National Association, as trustee under the indenture of trust dated July 18, 1995, hereby assigns all of its rights, duties and obligations under the Amended and Restated Credit Agreement to Main Place Real Estate Investment Trust (the "Trust"), as successor in interest to the Corporation pursuant to the Agreement of Merger by and among the Corporation, the Trust and Main Place Holdings Corporation dated November 1, 1996.

IN WITNESS WHEREOF, the undersigned has executed this consent on this 1st day of November, 1996.

MAIN PLACE FUNDING CORPORATION

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

NATIONSBANK OF TEXAS, N.A.

NationsBank of Texas, N.A. ("NationsBank Texas"), as lender under that certain Amended and Restated Credit Agreement (the "Amended and Restated Credit Agreement") dated as of October 31, 1995 with Main Place Funding Corporation ("Main Place Funding") for the benefit of First Trust National Association as trustee under indenture of trust dated July 18, 1995 hereby consents to the assignment of all of its rights, duties and obligations under the Amended and Restated Credit Agreement by Main Place Funding to Main Place Real Estate Investment Trust, pursuant to the requirements of Section 9.8 of said Amended and Restated Credit Agreement.

IN WITNESS WHEREOF, the undersigned has executed this consent on this 1st day of November, 1996.

NATIONSBANK OF TEXAS, N.A.

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

MAIN PLACE FUNDING CORPORATION

Main Place Funding Corporation (the "Corporation"), as borrower under that certain Credit Agreement (the "Credit Agreement") dated as of October 31, 1995 with NationsBank of Texas, N.A. ("NationsBank Texas") for the benefit of First Trust National Association, as trustee under the indenture of trust dated October 31, 1995, hereby assigns all of its rights, duties and obligations under the Credit Agreement to Main Place Real Estate Investment Trust (the "Trust"), as successor in interest to the Corporation pursuant to the Agreement of Merger by and among the Corporation, the Trust and Main Place Holdings Corporation dated November 1, 1996.

IN WITNESS WHEREOF, the undersigned has executed this consent on this 1st day of November, 1996.

MAIN PLACE FUNDING CORPORATION

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

NATIONSBANK OF TEXAS, N.A.

NationsBank of Texas, N.A. ("NationsBank Texas"), as lender under that certain Credit Agreement (the "Credit Agreement") dated as of October 31, 1995 with Main Place Funding Corporation ("Main Place Funding") for the benefit of First Trust National Association as trustee under indenture of trust dated October 31, 1995 hereby consents to the assignment of all of its rights, duties and obligations under the Credit Agreement by Main Place Funding to Main Place Real Estate Investment Trust, pursuant to the requirements of Section 9.8 of said Credit Agreement.

IN WITNESS WHEREOF, the undersigned has executed this consent on this 1st day of November, 1996.

NATIONSBANK OF TEXAS, N.A.

By: /s/ Gary S. Williams

Name: Gary S. Williams

Title: Senior Vice President

SERVICING AGREEMENT

Dated as of November 1, 1996

between

MAIN PLACE REAL ESTATE INVESTMENT TRUST

Owner

and

NATIONSBANC MORTGAGE CORPORATION

Servicer

TABLE OF CONTENTS

<TABLE>
<CAPTION>

	Page
<S> <C>	
ARTICLE I	
DEFINITIONS.....	1
ARTICLE II	
ADMINISTRATION AND SERVICING OF THE MORTGAGE NOTES.....	7
Section 2.01. Contract for Servicing; Possession of Servicing Files.....	7
Section 2.02. Commencement of Servicing Responsibilities.....	7
Section 2.03. The Servicer to Act as Servicer.....	7
Section 2.04. Collection of Mortgage Note Payments.....	9
Section 2.05. Foreclosure.....	9
Section 2.06. Sub-Servicing Agreements.....	10
Section 2.07. Maintenance of Hazard Insurance.....	10
Section 2.08. Maintenance of PMI Policy.....	11
Section 2.09. Fidelity Bond and Errors and Omissions Insurance	12
Section 2.10. Establishment of and Deposits to Collection Account.....	12
Section 2.11. Permitted Withdrawals from Collection Account.....	13
Section 2.12. Establishment of and Deposits to Escrow Account.....	14
Section 2.13. Permitted Withdrawals from Escrow Account.....	15
Section 2.14. Maintenance of FHA Mortgage Insurance and VA Guaranty.....	16
Section 2.15. Notification of Adjustments.....	16
Section 2.16. Completion and Recordation of Assignment of Mortgage and FHA and VA Change Notices.....	17

Section 2.17.	Protection of Accounts; Eligible Investments.....	17
Section 2.18.	Servicing Compensation.....	17
Section 2.19.	Withdrawals and Substitutions of Mortgage Notes.....	18
ARTICLE III		
REMITTANCES AND REPORTING BY THE SERVICER.....		18
Section 3.01.	Remittances to Owner.....	18
Section 3.02.	Reporting by the Servicer.....	19
Section 3.03.	Annual Certificate.....	19
Section 3.04.	Annual Accountants' Report.....	20
ARTICLE IV		
REPRESENTATIONS AND WARRANTIES.....		20
</TABLE>		
i		
<TABLE>		
<CAPTION>		
<S> <C>		
Section 4.01.	Representations and Warranties of the Servicer.....	20
Section 4.02.	Remedies for Breach of Representations and Warranties of the Servicer.....	22
ARTICLE V		
THE SERVICER.....		23
Section 5.01.	Corporate Existence of the Servicer; Status as Servicer; Merger.....	23
Section 5.02.	Performance of Obligations.....	24
Section 5.03.	The Servicer Not to Resign; Assignment.....	24
ARTICLE VI		
DEFAULT.....		25
Section 6.01.	Events of Default.....	25
Section 6.02.	No Effect on Other Parties.....	26
Section 6.03.	Rights Cumulative.....	26
ARTICLE VII		
MISCELLANEOUS.....		27
Section 7.01	Successor to the Servicer.....	27
Section 7.02.	Termination of Agreement.....	28
Section 7.03.	Amendment.....	28
Section 7.04.	Governing Law.....	28
Section 7.05.	Notices.....	28
Section 7.06.	Severability of Provisions.....	29
Section 7.07.	Inspection and Audit Rights.....	29

Section 7.08.	----- Binding Effect.....	30
Section 7.09.	----- Article and Section Headings.....	30
Section 7.10.	----- Counterparts.....	30

SERVICING AGREEMENT

Servicing Agreement, dated November 1, 1996, between MAIN PLACE REAL ESTATE INVESTMENT TRUST, a Maryland real estate investment trust (herein, together with its successors and assigns, called the "Owner"), and NATIONSBANC MORTGAGE CORPORATION, a Texas corporation (herein, together with its successors and assigns, called the "Servicer")

PRELIMINARY STATEMENT

The Owner is the holder and/or owner of all of the beneficial ownership interests in the Mortgage Notes. The Servicer is an independent contractor in the business of servicing mortgage loans.

The Servicer and the Owner desire to enter into this Agreement to provide, among other things, for the servicing by the Servicer of the Mortgage Notes.

ARTICLE I
DEFINITIONS

The following terms have the respective meanings set forth below for all purposes of this Agreement, and the definitions of such terms are applicable to the singular as well as to the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms:

Accepted Servicing Practices: With respect to any Mortgage Notes, the services and duties customary to the servicing by prudent mortgage lending institutions of mortgages of the same type as such Mortgage Notes in the jurisdictions where the related Mortgaged Properties are located.

Act: The National Housing Act, as amended from time to time.

Agreement: This Servicing Agreement and all amendments hereof and supplements hereto.

Assignment of Mortgage: An assignment of the Mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the

laws of the jurisdiction wherein the related Mortgaged Property is located to reflect the transfer of the Mortgage to the party indicated therein, which assignment, notice of transfer or equivalent instrument may be in the form of one or more blanket assignments covering the Mortgage Notes secured by Mortgaged Properties located in the same jurisdiction, if permitted by law.

Available Amount: The amount defined as such in Section 3.01 hereof.

Best Efforts: Efforts determined to be reasonably diligent by the Owner or Servicer, as the case may be, in its sole discretion. Such efforts do not require the Owner or Servicer, as the case may be, to enter into any litigation, arbitration or other legal or quasi-legal proceeding, nor do they require the Owner or Servicer, as the case may be, to advance or expend fees or sums of money in addition to those specifically set forth in this Agreement.

Business Day: Any day other than (i) a Saturday, (ii) a

Sunday, or (iii) a day that is either a legal holiday or a day on which banking institutions are authorized or obligated by law or regulation to close in the States of Maryland or Texas, or any other state in which the Servicer is located (or, for purposes of remittances by the Servicer, any state in which functions relating to the Collection Account are performed).

Collection Account: The separate account or accounts created and maintained pursuant to Section 2.10.

Collection Period: With respect to a Servicer Remittance Date, the calendar month preceding the month in which such Servicer Remittance Date occurs.

Condemnation Proceeds: All awards of settlements in respect of a Mortgaged Property, whether permanent or temporary, partial or entire, by exercise of the power of eminent domain or condemnation, to the extent not required to be released to a Mortgagor in accordance with the terms of the related Mortgage Note documents.

Determination Date: A date not more than three Business Days prior to the applicable Servicer Remittance Date.

Eligible Mortgage Note: Any Mortgage Note meeting the requirements of ss. 856 of the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder.

2

Escrow Account: The separate account or accounts operated and maintained pursuant to Section 2.12.

Escrow Payments: With respect to any Mortgage Note, the amounts constituting ground rents, taxes, assessments, water rates, sewer rents, municipal charges, mortgage insurance premiums, fire and hazard insurance premiums, condominium charges, and any other payments required to be escrowed by the Mortgagor with the mortgagee pursuant to the Mortgage or any other document.

Event of Default: Any event set forth in Section 6.01.

FHA Approved Mortgagee: A corporation or institution approved as a mortgagee by FHA under the Act, and applicable HUD regulations, and eligible to own and service mortgage loans such as the FHA Loans.

FHA Insurance Contract: The contractual obligation of FHA respecting the insurance of a Mortgage Note.

FHA Loan: A residential Mortgage Note which is the subject of an FHA Insurance Contract as evidenced by a mortgage insurance certificate.

FHA Mortgage Insurance: Mortgage insurance authorized under the Act and provided by the FHA.

FHA Regulations: Regulations promulgated by HUD under the Act, codified in 24 Code of Federal Regulations, and other HUD issuances relating to FHA Loans, including the related handbooks, circulars, notices and mortgagee letters.

Independent Accountant: Any accountant, who may also be the accountant who audits the books of the Servicer, who is independent with respect to the Servicer within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

Insurance Proceeds: With respect to each Mortgage Note, proceeds of insurance policies insuring the Mortgage Note or the related Mortgaged Property including FHA insurance proceeds and/or VA guaranty proceeds.

Liquidation Proceeds: Cash received in connection with the liquidation of a defaulted Mortgage Note, whether through the sale or assignment

3

of such Mortgage Note, trustee's sale, foreclosure sale or otherwise, or the sale of the related REO Property, if the Mortgaged Property is acquired in satisfaction of the Mortgage Note.

Monthly Payment: The scheduled monthly payment of principal and interest on a Mortgage Note.

Mortgage: The mortgage, deed of trust or other instrument securing a Mortgage Note, which creates a first lien on an unsubordinated estate in real property securing such Mortgage Note.

Mortgage Interest Rate: The annual rate of interest borne at any time by a Mortgage Note.

Mortgage Note: The note or other evidence of the indebtedness of a Mortgagor secured by a Mortgage, each Mortgage Note subject to this Agreement being identified on the Mortgage Note Schedule.

Mortgage Note Schedule: The schedule of Mortgage Notes delivered by the Owner to the Servicer setting forth information with respect to such Mortgage Notes, which schedule shall be amended from time to time to reflect the addition of Mortgage Notes to, or the withdrawal of Mortgage Notes from, the terms of this Agreement.

Mortgaged Property: The real property securing repayment of the debt evidenced by a Mortgage Note.

Mortgagor: The obligor on a Mortgage Note.

NationsBank, N.A.: NationsBank, N.A., a national banking association.

NationsBank South: NationsBank, N.A. (South), a national banking association.

NationsBank Texas: NationsBank of Texas, N.A., a national banking association.

NRSRO: Any nationally recognized statistical rating organization.

Officer's Certificate: A certificate signed by the Chairman of the Board, the Vice Chairman of the Board, the President or any Vice President of the Servicer, and delivered to the Owner as required by this Agreement.

4

Opinion of Counsel: A written opinion of counsel, who may be an employee of the Servicer, and who is reasonably acceptable to the Owner.

PMI Policy: A policy of private mortgage insurance issued by a Qualified Insurer.

Principal Prepayment: Any payment or other recovery of principal on a Mortgage Note which is received in advance of its scheduled due date, including any prepayment penalty or premium thereon, and which is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment.

Qualified Depository: NationsBank, N.A. or another depository the accounts of which are insured by the FDIC and the short-term debt obligations of which are rated in at least one of the two highest rating categories by an NRSRO.

Qualified Insurer: A mortgage guaranty insurance company duly authorized and licensed where required by law to transact mortgage guaranty insurance business and approved as an insurer by FNMA and FHLMC and rated in at least one of the two highest rating categories by an NRSRO.

REO Disposition: The final sale by the Servicer, on behalf of the Owner, of any REO Property.

REO Disposition Proceeds: All amounts received with respect to an REO Disposition.

REO Property: A Mortgaged Property acquired by the Servicer on behalf and in the name of the Owner through foreclosure or by deed in lieu of foreclosure.

Servicer Remittance Date: The 19th day of any month (or, if such day is not a Business Day, the first Business Day immediately preceding such 19th day), commencing the month of the date of this Agreement.

Servicing Advances: All customary, reasonable and necessary "out of pocket" costs and expenses (including reasonable attorneys' fees and disbursements) incurred in the performance by the Servicer of its servicing obligations, including, but not limited to, the cost of (a) the preservation, restoration and protection of the Mortgaged Property, (b) any enforcement or administrative or judicial proceedings, including foreclosures, (c) the

5

management and liquidation of the Mortgaged Property if the Mortgaged Property is acquired in satisfaction of the Mortgage, (d) taxes, assessments, water rates, sewer rates and other charges which are or may become a lien upon the Mortgaged Property, and PMI Policy premiums and fire and hazard insurance coverage and (e) any losses sustained by the Servicer with respect to the liquidation of the Mortgaged Property.

Servicing Fee:

(a) With respect to each Mortgage Note which was owned by NationsBank of Texas, N.A., NationsBank, N.A. (South) or NationsBank, N.A. or by any of their bank affiliates prior to January 1, 1992, and is serviced hereunder, the monthly fee the Owner shall pay to the Servicer, which shall be equal to one-twelfth of the product of (a) (i) three-eighths of one percent (3/8%) for each such fixed rate Mortgage Note, and (ii) one-half of one percent (1/2%) for each such adjustable rate Mortgage Note and (b) the outstanding principal balance of such Mortgage Note.

(b) With respect to each Mortgage Note which was owned by NationsBank of Texas, N.A., NationsBank, N.A. (South) or NationsBank, N.A. or by any of their bank affiliates after January 1, 1992, and is serviced hereunder, the monthly fee the Owner shall pay to the Servicer, which shall be equal to one-twelfth of the product of (a) (i) one-half of one percent (1/2%) for each such fixed rate or adjustable rate FHA and VA Loan serviced hereunder, (ii) three-eighths of one percent (3/8%) for each such adjustable rate Mortgage Note (other than FHA and VA Loans) the interest rate of which adjusts every month, every 6 months, every year or every 3 years and (iii) one-quarter of one percent (1/4%) for all other such Mortgage Notes serviced hereunder, and (b) the outstanding principal balance of such Mortgage Note.

Notwithstanding the foregoing, the Servicing Fee payable hereunder for any Mortgage Note shall not be less than \$10.00 per month.

Servicing File: The items pertaining to a particular Mortgage Note including, but not limited to, the original Mortgage Note, the computer files, data disks, books, records, data tapes, notes, and all additional documents generated as a result of or utilized in originating and/or servicing each Mortgage Note, which are held in trust for the Owner by the Servicer.

VA Approved Lender: Those lenders which are approved by the VA to act as a lender in connection with the origination of VA loans.

6

VA Loan: A Mortgage Loan which is the subject of a VA Loan

Guaranty Agreement as evidenced by a Loan Guaranty Certificate, or a Mortgage Loan which is a vendee loan sold by the VA.

VA Loan Guaranty Agreement: The obligation of the United States to pay a specific percentage of a Mortgage (subject to a maximum amount) upon default of the Mortgagor pursuant to the Servicemen's Readjustment Act, as amended.

VA Loan Guaranty Certificate: The certificate evidencing a VA Loan Guaranty Agreement.

VA Regulations: Regulations promulgated by the VA pursuant to the Servicemen's Readjustment Act, as amended, codified in 38 Code of Federal Regulations, and other VA issuances relating to VA Loans, including related Handbooks, Circulars and Notices.

7

ARTICLE II
ADMINISTRATION AND SERVICING OF THE MORTGAGE NOTES

Section 2.01. Contract for Servicing; Possession of Servicing Files.

The Owner, by execution and delivery of this Agreement, does hereby contract with the Servicer, subject to the terms of this Agreement, for the servicing of the Mortgage Notes that are from time to time subject to this Agreement. With respect to each Mortgage Note listed on the Mortgage Note Schedule as of the date of this Agreement for which the Servicer does not have possession of a Servicing File as of the date hereof, the Owner shall cause to be delivered or will use its Best Efforts to cause to be delivered the related Servicing File to the Servicer as soon as practicable. With respect to each Mortgage Note that becomes subject to this Agreement after the date hereof, the Owner shall cause the Mortgage Note Schedule to be amended to reflect the Mortgage Notes then subject to this Agreement and shall cause to be delivered or will use its Best Efforts to cause to be delivered as soon as practicable each related Servicing File to the Servicer. Each Servicing File delivered to the Servicer shall be held by the Servicer in order to service the Mortgage Notes pursuant to this Agreement and is and shall be held in trust as agent for the Owner and for the benefit of the Owner as the owner thereof. The Servicer's possession of any Servicing File shall be at the will of the Owner for the sole purpose of facilitating servicing of the related Mortgage Note pursuant to this Agreement, and such retention and possession by the Servicer shall be in a custodial capacity only. The ownership of each Mortgage Note, Mortgage, and the contents of the Servicing File shall be vested in the Owner and the ownership of all records and documents with respect to the related Mortgage Loan prepared by or which come into the possession of the Servicer shall immediately vest in the Owner and shall be retained and maintained, in trust, by the Servicer at the will of the Owner in such custodial capacity only. The Servicer shall release from its custody the contents of any Servicing File retained by it only in accordance with this Agreement.

8

Section 2.02. Commencement of Servicing Responsibilities.

As of the date hereof, the Servicer shall assume all servicing responsibilities hereunder with respect to the Mortgage Notes.

Section 2.03. The Servicer to Act as Servicer.

(a) The Servicer, as an independent contractor, shall diligently service and administer the Mortgage Notes from and after the date hereof and shall have full power and authority, acting alone, to do any and all things in connection with such servicing and administration which the Servicer may deem necessary or desirable, consistent with Accepted Servicing Practices where such practices do not conflict with the requirements of this Agreement, including taking all actions that a mortgagee is permitted or required to take

by the FHA or VA, with respect to FHA Loans and VA Loans, as the case may be.

(b) Without limiting the generality of the foregoing, the Owner and the Servicer hereby agree as follows:

(i) The Servicer may waive any prepayment charge, assumption fee, late payment charge or any other charge in connection with the prepayment of a Mortgage Note;

(ii) The Servicer may arrange with a mortgagor a plan of relief, including a modification or extension of the Mortgage Note, when appropriate, rather than recommending liquidation; provided, however, such arrangement will be made only upon determining that the coverage of such Mortgage Note by any PMI Policy, FHA Insurance Contract or VA Loan Guaranty Certificate will not be affected and that any such modified Mortgage Note continues to be an Eligible Mortgage Note;

(iii) The Servicer shall enforce "due-on-sale" clauses with respect to Mortgage Notes; provided, however, where an assumption of, or substitution of liability with respect to, a Mortgage Note is required by law, upon receipt of assurance that the PMI Policy covering such Mortgage Note will not be affected, the Servicer may permit the assumption of a Mortgage Note, pursuant to which the mortgagor shall remain liable on the Mortgage Note, or a substitution of liability with respect to such Mortgage Note, pursuant to which the new Mortgagor shall be substituted for the original Mortgagor as being liable on the Mortgage Note. Notwithstanding the foregoing, the Servicer shall not permit any modification with respect to any Mortgage Note that would change the Mortgage Interest Rate or affect the FHA Insurance Contract with respect to FHA Loans or the VA Loan Guaranty Agreement with respect to VA Loans;

9

(iv) The Servicer may give any consents under the terms and provisions of any Mortgage Note, including, without limitation, consents to the placing of easements, covenants, conditions and restrictions on any Mortgaged Property; and

(v) The Servicer may permit the modification of an Eligible Mortgage Note which the related Mortgagor has indicated a desire to refinance provided that any such Mortgage Note would continue to be Eligible Mortgage Note following such modification;

(c) The Servicer shall establish and maintain adequate and customary books and records with respect to each Mortgage Note and, upon request of the Owner shall, within a reasonable time following the Servicer's receipt of such request, furnish the same (in the form of either an original document or a certified true copy of such original document) to the Owner. In the event of a request for any non-standard report, the Servicer and the Owner shall mutually agree in writing to a reasonable expense reimbursement payable by the Owner to the Servicer for such report.

In servicing and administering FHA Loans and VA Loans, if any, the Servicer shall comply strictly with the Act and the FHA Regulations, the Servicemen's Readjustment Act, the VA Regulations and administrative guidelines issued thereunder or pursuant thereto, and, to the extent permitted hereunder, promptly discharge all of the obligations of the mortgagee thereunder and under each Mortgage, including the payment of any fees, premiums and charges and the timely giving of notices.

Section 2.04. Collection of Mortgage Note Payments.

Continuously from the date hereof until the date each Mortgage Note ceases to be subject to this Agreement, the Servicer shall proceed diligently to collect all payments due under each of the Mortgage Notes when the same shall become due and payable and shall exercise reasonable diligence in ascertaining and estimating Escrow Payments and all other charges that will become due and payable with respect to the Mortgage Notes and each related

Mortgaged Property, to the end that the installments payable by the Mortgagors will be sufficient to pay such charges as and when they become due and payable.

10

Section 2.05. Foreclosure.

The Servicer shall process and manage: (i) the foreclosure or other acquisition of the property securing any Mortgage Note; (ii) the transfer of such property to the FHA, VA, or a private mortgage insurer, as applicable; and (iii) the collection of any applicable mortgage insurance or guaranty proceeds; and pending completion of these steps, the protection of the Mortgaged Property from waste and vandalism. The Servicer will thereafter assign or convey to the Owner any title, equity or other property or right acquired by such proceedings. In no event shall the Servicer be required to take title in its name to any Mortgaged Property which has, or may reasonably be deemed to have, an environmental or similar problem or defect for which the Servicer would become liable by reason of its holding title to such property. The Owner agrees promptly to reimburse the Servicer for its reasonable Servicing Advances incurred in complying with its obligations under this paragraph, including attorney's fees. In case of a voluntary deed in lieu of foreclosure or the purchase of any such property by the Owner or for its account, the Owner will assume responsibility for the same. The marketing and sales of all REO Properties will be the responsibility of the Servicer, on behalf of the Owner.

Section 2.06. Sub-Servicing Agreements.

Any provision of this Agreement notwithstanding, the Servicer may contract with other Persons for the performance of its responsibilities, duties and obligations under this Agreement to service and administer any of the Mortgage Notes, provided that none of the provisions of this Section 2.06 relating to agreements or arrangements between the Servicer and other Persons, or to actions taken through any such other Persons or otherwise, shall be deemed to relieve the Servicer of any of its duties and obligations to the Owner with respect to the servicing and administration of the Mortgage Notes, and the Servicer shall be obligated with respect thereto to the same extent and under the same terms and conditions as if it alone were performing all duties and obligations in connection with servicing and administering the Mortgage Notes. The Servicer shall be entitled to enter into any agreement with any Person performing services for it related to its duties and obligations under this Agreement for indemnification of the Servicer by such Person, and nothing contained in this Agreement shall be deemed to limit or modify such indemnification. Any transactions or services relating to the Mortgage Notes involving any Person performing services for the Servicer shall be deemed to be between such Person and the Servicer alone, and the Owner shall not be deemed to be parties thereto and shall have no claims, rights, obligations, duties or liabilities with respect to any such Person.

11

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Section 2.07. Maintenance of Hazard Insurance.

The Servicer will cause insurance to be maintained on the Mortgaged Property covered by each Mortgage Note consistent with the Accepted Servicing Practices and will make certain that each such property is insured as provided below at all times for the benefit of the mortgagee on a standard insurance policy form with an appropriate mortgagee payable clause. Such insurance shall be in an amount not less than the lesser of the outstanding principal balance of the Mortgage Note and the minimum amount necessary to compensate fully for any damage or loss on a replacement cost basis. Such insurance shall be of a type at least as protective as fire and extended coverage. The Servicer shall pay the premium for such insurance as a Servicing Advance on a timely basis in the event that the Mortgagor does not make such payments. With respect to any Mortgaged Property located in an area identified by the Federal Emergency Management Agency as having special flood hazards and as to which flood insurance has been made available, the Servicer shall maintain or cause to be maintained a flood insurance policy maintained with a generally

acceptable insurance carrier meeting the requirements of the current guidelines of the Federal Insurance Administration. Such flood insurance policy will provide coverage in an amount not less than the least of (i) the unpaid principal balance of the Mortgage Note, (ii) the insurable value of the Mortgaged Property and (iii) the maximum amount of insurance available under the Flood Disaster Protection Act of 1973, as amended.

In the event that the Servicer chooses to maintain a blanket policy insuring against hazard losses on certain of the Mortgage Notes, it shall conclusively be deemed to have satisfied its obligation relating to the maintenance of insurance under this Section 2.07. The Servicer shall maintain accurate and complete records with respect to the insurance and insurance premiums for each Mortgage Note and the status thereof. In the event the Servicer receives actual notice of any loss or damage to any property securing a Mortgage Note, the Servicer will proceed diligently to adjust any loss or damage claim, and to protect the interest of the mortgagee under any such insurance policy covering the incidence of damage. In the event that the Owner shall request an inspection by an engineer or other professional construction inspector with respect to any such repairs, the Servicer will arrange for such inspection.

12

Section 2.08. Maintenance of PMI Policy.

With respect to any Mortgage Note for which there is in effect a PMI Policy, the Servicer shall exercise its Best Efforts to keep each such PMI Policy (if and so long as any is required) in full force and effect. The Servicer shall pay the premium for each PMI Policy as a Servicing Advance on a timely basis in the event that the Mortgagor does not make such payments.

The Servicer, on behalf of the Owner, shall present claims to the insurer under any applicable PMI Policy and shall take such reasonable steps as are necessary to permit recovery under such insurance policies respecting defaulted Mortgage Notes. All Insurance Proceeds received by the Servicer under such policies that are not applied to the restoration of the related Mortgaged Property or refunded to the Mortgagor shall be deposited in the Collection Account.

If any property securing a defaulted Mortgage Note is damaged and proceeds, if any, from the related hazard insurance policy are insufficient to restore the damaged property to a condition sufficient to permit recovery under any applicable PMI Policy, the Servicer shall be required to expend its own funds to restore the damaged property unless the Servicer reasonably determines (i) that such restoration will not increase the proceeds to the Owner upon liquidation of the Mortgage Note after reimbursement of the Servicer for its expenses and (ii) that such expenses will not be recoverable by it through Liquidation Proceeds. In the event that the Servicer elects to restore the damaged property and the cost of restoration exceeds the amount recovered by it through Liquidation Proceeds, the Owner shall reimburse the Servicer for the difference between the amount expended by the Servicer and the amount recovered through Liquidation Proceeds.

13

Section 2.09. Fidelity Bond and Errors and Omissions Insurance.

The Servicer, at no expense to the Owner, shall maintain adequate fidelity bond coverage and adequate errors and omissions insurance, and shall annually furnish to the Owner proof of such coverage in the form of an insurance certificate.

Section 2.10. Establishment of and Deposits to Collection Account

The Servicer shall establish and maintain the Collection Account in the name of the Owner for the benefit of the Owner and shall segregate and hold all funds collected and received pursuant to the Mortgage Notes separate and apart from any of its own funds and general assets in such Collection Account. The Collection Account shall be established and maintained with a Qualified Depository. The Collection Account may be maintained as an interest-bearing account (which may include a money market savings account), or the funds held therein may be invested from time to time in Eligible Investments subject to the provisions of Section 2.17 hereof.

The Servicer shall deposit in or credit to the Collection Account on a daily basis, as applicable, and retain therein, the following collections received by the Servicer:

(i) All payments on account of principal and interest received by the Servicer on the Mortgage Notes (which, at its option, may be net of the Servicing Fee), including Principal Prepayments (in whole or in part);

(ii) All Liquidation Proceeds, net of expenses incurred in connection with any liquidation;

(iii) All Insurance Proceeds received under any PMI Policy or title, hazard or other insurance policy covering any Mortgage Note, other than proceeds to be applied to the restoration or repair of the related Mortgaged Property or to be refunded to the Mortgagor;

(iv) Any amounts required to be deposited or credited by the Servicer in connection with losses realized on investments for the benefit of the Servicer of funds held in the Collection Account;

14

(v) Any amounts required to be deposited or credited by the Servicer in connection with interest loss or deferral as a result of a failure to adjust a Mortgage Interest Rate or Monthly Payment under Section 2.15 hereof;

(vi) All other amounts required to be deposited in or credited to the Collection Account under this Agreement; and

(vii) All rents collected on REO Properties.

Any interest paid on funds deposited in the Collection Account by the related Qualified Depository shall accrue to the benefit of the Servicer, and the Servicer shall be entitled to retain and withdraw such interest from the Collection Account pursuant to Section 2.11 hereof.

Section 2.11. Permitted Withdrawals from Collection Account.

The Servicer shall, from time to time, withdraw funds from the Collection Account for the following purposes:

(i) To reimburse the Servicer from related Insurance or Liquidation Proceeds for amounts expended by the Servicer in connection with the restoration of property damaged by an uninsured cause or the liquidation of a Mortgage Note;

(ii) To pay to the Servicer its Servicing Fee from interest payments received on Mortgage Notes, if not previously retained, and any earnings from the investment of funds in the Collection Account in Eligible Investments;

(iii) To pay to the Servicer any expenses which were incurred by the Servicer and are reimbursable pursuant to this Agreement, including but not limited to expenses incurred by the Servicer in respect of property repairs or maintenance on Mortgaged Properties;

(iv) To pay to the Servicer any amounts in respect of which the Mortgagor's check has been returned and not honored by the Mortgagor's bank for any reason or any amounts deposited in or credited to the Collection Account in error;

(v) To remit funds to the Owner in accordance with Section 3.01 hereof;

15

(vi) To remit funds to any Mortgagor or the designee of any Mortgagor in respect of any payments due to the Mortgagor, including but not limited to payments to be remitted to any Mortgagor under any applicable insurance policy, as determined by the Servicer;

(vii) To transfer funds to another Qualified Depository in accordance with Section 2.17 hereof;

(viii) To invest funds in certain Eligible Investments in accordance with Section 2.17 hereof;

(ix) To remit funds to the Owner in accordance with Section 2.19 hereof; and

(x) To clear the Collection Account upon the termination of this Agreement.

Section 2.12. Establishment of and Deposits to Escrow Account.

The Servicer shall segregate and hold all funds collected and received pursuant to a Mortgage Note constituting Escrow Payments separate and apart from any of its own funds and general assets and shall establish and maintain one or more Escrow Accounts, in the form of time deposit or demand accounts, titled in the name of the Mortgagor. The Escrow Accounts shall be established with a Qualified Depository and may be maintained as interest-bearing accounts.

The Servicer shall credit to the Escrow Account or Escrow Accounts on a daily basis, and retain therein:

(i) all Escrow Payments collected on account of the Mortgage Notes for the purpose of effecting timely payment of any such items as are required under the terms of this Agreement and the related Mortgage or Mortgage Note; and

(ii) all amounts representing Insurance Proceeds or Condemnation Proceeds which are to be applied to the restoration or repair of any Mortgaged Property or refunded to the Mortgagor.

The Servicer shall retain any interest paid on funds deposited in the Escrow Account by the depository institution, other than interest on escrowed funds required by law to be paid to the Mortgagor. To the extent

16

required by law, the Servicer shall pay interest on escrowed funds to the Mortgagor notwithstanding that the Escrow Account may be non-interest bearing or that interest paid thereon is insufficient for such purposes. The Servicer shall be responsible for the administration of the Escrow Account or Escrow Accounts and shall be expected to make Servicing Advances to such account when a deficiency exists therein.

Section 2.13. Permitted Withdrawals from Escrow Account.

Withdrawals from the Escrow Account or Escrow Accounts may be made by the Servicer only:

(i) to effect timely payments of taxes; assessments,

water rates, mortgage insurance premiums, condominium charges, fire and hazard insurance premiums or other items constituting Escrow Payments for the related Mortgage Note;

(ii) to reimburse the Servicer for any Servicing Advance made by the Servicer with respect to a related Mortgage Note, but only from amounts received on the related Mortgage Note;

(iii) to refund to any Mortgagor any funds found to be in excess of the amounts required under the terms of the related Mortgage Note or funds remaining therein after the principal balance of the related Mortgage Note has been paid in full;

(iv) for transfer to the Collection Account and application to reduce the principal balance of the Mortgage Note in accordance with the terms of the related Mortgage and Mortgage Note;

(v) for application to restoration or repair of the Mortgaged Property;

(vi) for transfer to the Collection Account of fire and hazard insurance proceeds and Escrow Payments with respect to any FHA Loan or VA Loan, where the FHA or the VA, respectively, has directed application of funds as a credit against the proceeds of the FHA Insurance Contract or VA Loan Guaranty Agreement;

(vii) to pay to the Servicer, or any Mortgagor to the extent required by law, any interest paid on the funds deposited therein;

17

(viii) to remit funds to the Owner in accordance with Section 2.19 hereof;

(ix) to pay to the Mortgagor or the Servicer as appropriate any amounts in respect of which the Mortgagor's check has been returned and not honored by the Mortgagor's bank for any reason or any amounts deposited or credited to the Escrow Account in error;

(x) to pay late fees to the extent permitted by the terms of the related Mortgage and Mortgage Note; and

(xi) to clear the Escrow Account or Accounts on the termination of this Agreement.

Section 2.14. Maintenance of FHA Mortgage Insurance and VA Guaranty.

With respect to any FHA Loans and VA Loans, the Servicer shall maintain and keep the FHA Mortgage Insurance and the VA Guaranty Agreement, respectively, in full force and effect throughout the term of this Agreement and discharge its obligations arising out of FHA Mortgage Insurance and the VA Loan Guaranty Agreement. The Servicer hereby agrees that it shall be liable to the Owner for any loss, liability or expense incurred by the Owner by reason of any FHA Mortgage Insurance or VA Loan Guaranty Agreement being voided, reduced, released or adversely affected by reason of the negligence or willful misconduct of the Servicer. The Servicer will service and administer the Mortgage Notes in accordance with the obligations of mortgagees under the Act and the applicable regulations thereunder and under the Servicemen's Readjustment Act and VA Regulations and will discharge all obligations of the mortgagee under each Mortgage Note including, with respect to FHA Loans and VA Loans, paying all FHA and VA insurance premiums, fees or charges, as required, and, subject to the right to assign the Mortgage Note to the FHA or VA, as the case may be, will take all action reasonably necessary to preserve the lien of such Mortgage, including, the defense of actions to challenge or foreclose such lien.

18

Section 2.15. Notification of Adjustments.

With respect to each adjustable rate Mortgage Note the Servicer shall adjust the Mortgage Interest Rate on the related interest rate adjustment date and shall adjust the Monthly Payment on the related mortgage payment adjustment date, if applicable, in compliance with the requirements of applicable law and the related Mortgage Note. The Servicer shall execute and deliver any and all necessary notices required under applicable law and the terms of the related Mortgage Note regarding the Mortgage Interest Rate and Monthly Payment adjustments. The Servicer shall promptly, upon written request therefor, deliver to the Owner such notifications and any additional applicable data regarding such adjustments and the methods used to calculate and implement such adjustments. Upon the discovery by the Servicer or the receipt of notice from the Owner that the Servicer has failed to adjust a Mortgage Interest Rate or Monthly Payment in accordance with the terms of the related Mortgage Note, the Servicer shall immediately deposit in or credit to the Collection Account from its own funds the amount of any interest loss or deferral caused thereby.

Section 2.16. Completion and Recordation of Assignment of Mortgage and FHA and VA Change Notices.

To the extent permitted by applicable law, each of the Assignments of Mortgage is subject to recordation in all appropriate public offices for real property records in all the counties or other comparable jurisdictions in which any or all of the Mortgaged Properties are situated, and in any other appropriate public recording office or elsewhere, such recordation to be effected at the Owner's expense at the direction of the Owner. If applicable, at the Owner's direction, the Servicer shall cause the endorsements on the Mortgage Note, the Assignment of Mortgage, the assignment of security agreement and the HUD form 92080 Mortgage Record Charge with respect to all FHA Loans to be completed, and shall give notice to the VA of a transfer of insurance credits, if applicable, with respect to VA Loans on the form prescribed by the VA.

Section 2.17. Protection of Accounts; Eligible Investments.

The Servicer may transfer the Collection Account or the Escrow Account to a different Qualified Depository from time to time. Such transfer shall be made only upon obtaining the consent of the Owner, which consent shall not be withheld unreasonably.

19

The Servicer shall bear any expenses, losses or damages sustained by the Owner if the Collection Account and/or the Escrow Account are not demand deposit accounts.

Amounts in the Collection Account may at the option of the Servicer be invested in Eligible Investments. Any such Eligible Investment shall mature no later than the date two Business Days prior to the Servicer Remittance Date next following the date of such Eligible Investment, provided, however, that if such Eligible Investment is an obligation of a Qualified Depository that maintains the Collection Account, then such Eligible Investment may mature on such Servicer Remittance Date. Any such Eligible Investment shall be made in the name of the Servicer in trust for the benefit of the Owner. All income on or gain realized from any such Eligible Investment shall be for the benefit of the Servicer and may be withdrawn at any time by the Servicer. Any losses incurred in respect of any such investment shall be deposited in the Collection Account, by the Servicer out of its own funds immediately as realized.

Section 2.18. Servicing Compensation.

As consideration for servicing the Mortgage Notes subject to this Agreement, the Servicer shall retain the relevant Servicing Fee for each Mortgage Note remaining subject to this Agreement during any month or part thereof.

Such Servicing Fee shall be payable monthly. The obligation of

the Owner to pay the Servicing Fee is limited to, and the Servicing Fee is payable solely from, the interest portion (including recoveries with respect to interest from Liquidation Proceeds or Insurance Proceeds) of each Monthly Payment actually received by the Servicer. The Servicing Fee percentage shall be computed on the same principal amount and for the same period as the interest portion of each payment.

In addition, the Servicer shall be entitled to retain as additional compensation the late charges and other fees and expenses related to loan assumptions, delinquencies, modifications, partial releases of security and releases for payment in full, if any, collected under the applicable loan documents or customarily collected by servicers consistent with Accepted Servicing Practices.

The Servicer shall be required to pay all expenses incurred by it in connection with its servicing activities hereunder and shall not be entitled to reimbursement thereof except as specifically provided for herein.

20

Section 2.19. Withdrawals and Substitutions of Mortgage Notes.

Upon five days prior written notice to the Servicer, the Owner may cause Mortgage Notes to become subject to the terms of this Agreement or remove Mortgage Notes from the terms of this Agreement. The addition of Mortgage Notes under this Section 2.19 shall be in accordance with the provisions of Section 2.01. In connection with the removal of any Mortgage Notes under this Section 2.19, the Servicer shall promptly transfer any funds in the Collection Account and the Escrow Account with respect to such Mortgage Notes not due to be paid to the Owner or to such other Person as the Owner may direct, and the Servicer shall take such other actions as the Owner may reasonably request to transfer the Servicing Files with respect to such Mortgage Notes to the Owner or at the direction of the Owner.

ARTICLE III REMITTANCES AND REPORTING BY THE SERVICER

Section 3.01. Remittances to Owner.

Subject to the provisions of this Section 3.01, on each Servicer Remittance Date, the Servicer shall remit to the Owner all amounts on deposit in the Collection Account received during the preceding Collection Period (net of charges against or withdrawals from the Collection Account pursuant to Section 2.11(i) through (iv) and (viii)) (the "Available Amount").

Section 3.02. Reporting by the Servicer. Reporting by the Servicer

(a) On the 20th day of each month (or, in either case, if such day is not a Business Day, the preceding Business Day), the Servicer shall deliver to the Owner a report setting forth the following information as of the end of the preceding day:

(i) The total amount of funds received by the Servicer and credited to the Collection Account;

(ii) The aggregate outstanding principal balance of all of the Eligible Mortgage Notes;

21

(iii) The weighted average coupon, weighted average maturity and outstanding principal balance of the Eligible Mortgage Notes, grouped as follows:

(A) for the Fixed Rate Mortgage Notes, by the following ranges of original term to maturity:

(1) 15 years or less; and

(2) greater than 15 years and up to and including 30 years; and

(B) for the Adjustable Rate Mortgage Notes, by index and, for each index, by the length of the initial fixed rate period and the length of the subsequent adjustable rate period; and

(iv) With respect to Eligible Mortgage Notes as to which there is currently a Late Payment, the number and outstanding principal balance of such Eligible Mortgage Notes, grouped in accordance with clause (iii) above, that are (A) one installment delinquent, (B) two installments delinquent, (C) three installments delinquent and (D) more than three installments delinquent.

(b) In addition, the report delivered by the Servicer shall contain the information from time to time specified by the Owner.

Section 3.03. Annual Certificate

On or before March 31, 1997 and on or before each March 31st thereafter, the Servicer shall deliver or cause to be delivered to the Owner an Officer's Certificate, to the effect that a review of the activities of the Servicer during the last calendar year (or the period since the date hereof in the case of the first such Officer's Certificate required to be delivered) has been made under the supervision of the officer executing such Officer's Certificate with a view to determining whether during such period the Servicer had performed and observed all of its obligations under this Agreement, and either (A) stating that to the best of such officer's knowledge no default by the Servicer under this Agreement has occurred and is continuing, or (B) if such a default has occurred and is continuing, specifying such default and the nature and status thereof.

22

Section 3.04. Annual Accountants' Report

On or before March 31, 1997 and on or before each March 31st thereafter, the Servicer shall deliver to the Owner a report, prepared by a firm of Independent Accountants of recognized national standing selected by the Servicer, to the effect that (i) they have examined certain documents and records relating to the Mortgage Notes, in accordance with the requirements of the Uniform Single Audit Program and (ii) their examinations disclosed no exceptions which, in their opinion, were material, relating to such Mortgage Notes, or, if any such exceptions were disclosed thereby, setting forth such exceptions which, in their opinion, were material. If any of the Mortgage Notes are being serviced by a Person other than the Servicer, as permitted by Section 2.06 hereof, the firm of Independent Accountants preparing the report with respect to the servicing of such Mortgage Notes by the Servicer may rely, as to matters relating to the servicing of such Mortgage Notes, upon a comparable report (rendered with respect to the most recent fiscal year of such other Person which ended at or prior to the end of the Servicer's fiscal year) of another firm of Independent Accountants with respect to such other Person's servicing of such Mortgage Notes.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Servicer.

The Servicer, as a condition to the consummation of the transactions contemplated hereby, makes the following representations and warranties to the Owner as of the date hereof:

(a) Due Organization and Authority. The Servicer is a Texas corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has all licenses necessary to carry on its business as now being conducted and is licensed, qualified and in good standing in each state where a Mortgaged Property is located if the laws of such state

require licensing or qualification in order to conduct business of the type conducted by the Servicer, and in any event the Servicer is in compliance with the laws of any such state to the extent necessary to ensure the enforceability of the terms of this Agreement; the Servicer has the full corporate power and authority to execute and deliver this Agreement and to perform in accordance herewith; the execution, delivery and performance of this Agreement by the Servicer and the consummation of the transactions contemplated hereby have been

23

duly and validly authorized; this Agreement evidences the valid, binding and enforceable obligation of the Servicer and all requisite corporate action has been taken by the Servicer to make this Agreement valid and binding upon the Servicer in accordance with its terms;

(b) Ordinary Course of Business. The consummation of the transactions contemplated by this Agreement are in the ordinary course of business of the Servicer;

(c) No Conflicts. Neither the execution and delivery of this Agreement, the acquisition of the servicing responsibilities by the Servicer of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, will conflict with or result in a breach of any of the terms, conditions or provisions of the Servicer's charter or by-laws or any legal restriction or any agreement or instrument to which the Servicer is now a party or by which it is bound, or constitute a default or result in an acceleration under any of the foregoing, or result in the violation of any law, rule, regulation, order, judgment or decree to which the Servicer or its property is subject, or impair the ability of the Servicer to service the Mortgage Notes, or impair the value of the Mortgage Notes;

(d) Ability to Perform. The Servicer does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement;

(e) No Litigation Pending. There is no action, suit, proceeding or investigation pending or, to the best of the Servicer's knowledge, threatened against the Servicer which, either in any one instance or in the aggregate, may result in any material adverse change in the business, operations, financial condition, properties or assets of the Servicer, or in any material impairment of the right or ability of the Servicer to carry on its business substantially as now conducted, or in any material liability on the part of the Servicer, or which would draw into question the validity of this Agreement or of any action taken or to be taken in connection with the obligations of the Servicer contemplated herein, or which would be likely to impair materially the ability of the Servicer to perform under the terms of this Agreement;

(f) No Consent Required. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Servicer of or compliance by the Servicer with this Agreement, or if required, such approval has been obtained prior to the date hereof;

24

(g) Ability to Service. The Servicer is an FHA Approved Mortgagee, a VA Approved Lender and an approved seller/servicer of conventional residential mortgage loans for FNMA or FHLMC, with the facilities, procedures, and experienced personnel necessary for the sound servicing of mortgage loans of the same type as the Mortgage Notes. The Servicer is in good standing to service mortgage loans for the FHA and the VA and either FNMA or FHLMC, and no event has occurred, including but not limited to a change in insurance coverage, which would make the Servicer unable to comply with FHA and VA and either FNMA or FHLMC eligibility requirements or which would require notification to any of the FHA, the VA, FNMA or FHLMC; and

(h) No Untrue Information. Neither this Agreement nor any statement, report or other document furnished or to be furnished pursuant to this Agreement or in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not misleading.

Section 4.02. Remedies for Breach of Representations and Warranties of the Servicer.

It is understood and agreed that the representations and warranties set forth in Section 4.01 shall survive the engagement of the Servicer to perform the servicing responsibilities as of the date hereof hereunder and the delivery of the Servicing Files to the Servicer and shall inure to the benefit of the Owner. Upon discovery by either the Servicer or the Owner of a breach of any of the foregoing representations and warranties which materially and adversely affects the ability of the Servicer to perform its duties and obligations under this Agreement or otherwise materially and adversely affects the value of the Mortgage Notes, the Mortgaged Property or the priority of the security interest on such Mortgaged Property or the interest of the Owner, the Person discovering such breach shall give prompt written notice to the other party to this Agreement.

Within 60 days of the earlier of either discovery by or notice to the Servicer of any breach of a representation or warranty set forth in Section 4.01 which materially and adversely affects the ability of the Servicer to perform its duties and obligations under this Agreement or otherwise materially and adversely affects the value of the Mortgage Notes, the Mortgaged Property or the priority of the security interest on such Mortgaged Property, the Servicer shall use its Best Efforts promptly to cure such breach in all material respects and, if such breach cannot be cured, the Servicer shall, at the Owner's option, assign the Servicer's rights and obligations under this Agreement (or respecting the affected Mortgage Notes) to a successor servicer,

25

subject to the approval of the Owner, which approval shall be in the Owner's sole discretion. Such assignment shall be made in accordance with Section 7.01.

In addition, the Servicer shall indemnify the Owner and hold the Owner harmless against any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and other reasonable out-of-pocket costs and expenses resulting from any claim, demand, defense or assertion based on or grounded upon, or resulting from, a breach of the Servicer representations and warranties contained in this Agreement.

Any cause of action against the Servicer relating to or arising out of the breach of any representations and warranties made in Section 4.01 shall accrue upon (i) discovery of such breach by the Servicer or notice thereof by the Owner to the Servicer, (ii) failure by the Servicer to cure such breach within the applicable cure period, and (iii) demand upon the Servicer by the Owner for compliance with this Agreement.

ARTICLE V THE SERVICER

Section 5.01. Corporate Existence of the Servicer; Status as Servicer; Merger.

(a) Subject to Section 5.01(b) hereof, the Servicer shall keep in full force its existence, rights and franchises as a corporation, and will obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of the Mortgage Notes and this Agreement.

(b) Any Person into which the Servicer may be merged or consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Servicer shall be a party, or any Person succeeding to the properties and assets of the Servicer substantially as a whole, shall be the successor of the Servicer hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything

herein to the contrary notwithstanding, provided, however, that the successor or surviving Person shall execute an agreement of assumption to perform every obligation of the Servicer hereunder and shall be an institution (i) having a net worth of not less than \$10,000,000, and (ii) which is an approved seller/servicer of conventional residential mortgage loans for FNMA or FHLMC and an FHA Approved Mortgagee and a VA Approved Lender.

26

Section 5.02. Performance of Obligations.

(a) The Servicer shall diligently perform and observe all of its obligations and agreements contained in this Agreement.

(b) The Servicer shall not take any action, or permit any action to be taken by others, which would excuse any Person from any of its covenants or obligations under any Mortgage Note, or which would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, a Mortgage Note or any such instrument, except as expressly provided herein or therein.

Section 5.03. The Servicer Not to Resign; Assignment.

(a) The Owner has entered into this Agreement with the Servicer in reliance upon the status of the Servicer as a mortgage servicer, and the representations as to the adequacy of its servicing facilities, plant, personnel, records and procedures, its integrity, reputation and financial standing, and the continuance thereof. Therefore, the Servicer shall not assign this Agreement or the servicing responsibilities hereunder or delegate its rights or duties hereunder or any portion hereof (to other than a Subservicer) or sell or otherwise dispose of all or substantially all of its property or assets without the prior written consent of the Owner, which consent shall not be unreasonably withheld by the Owner.

(b) The Servicer shall not resign from the obligations and duties hereby imposed on it except upon (i) the appointment of a successor Servicer in the manner provided in Section 7.01, or (ii) the determination that its duties hereunder are no longer permissible under applicable law and such incapacity cannot be cured by the Servicer. Any such determination permitting the resignation of the Servicer shall be evidenced by an Opinion of Counsel to such effect delivered to the Owner, which Opinion of Counsel shall be in form and substance acceptable to the Owner.

(c) Without in any way limiting the generality of this Section 5.03, in the event that the Servicer either shall assign this Agreement or the servicing responsibilities hereunder or delegate its duties hereunder or any portion thereof (to other than a Subservicer) or sell or otherwise dispose of all or substantially all of its property or assets, without the prior written consent of the Owner, then the Owner shall have the right to terminate this Agreement upon notice given as set forth in Section 6.01, without any payment of any penalty or damages and without any liability whatsoever to the Servicer or any third party.

27

(d) Except as provided in this Section 5.03 or Sections 4.02 or 6.01 hereof, the duties and obligations of the Servicer under this Agreement shall continue until this Agreement shall have been terminated as provided in Section 7.02 hereof, and shall survive the exercise by the Owner of any right or remedy under this Agreement or the enforcement by the Owner of this Agreement.

ARTICLE VI
DEFAULT

Section 6.01. Events of Default

Any of the following acts or occurrences shall constitute an

Event of Default by the Servicer under this Agreement:

(i) The Servicer shall fail to distribute any amounts required to be distributed to the Owner or Owner's agent pursuant to Section 3.01 hereof, which failure continues unremedied for five days; or

(ii) The Servicer shall fail duly to observe or perform in any material respects any covenants or agreements of this Agreement, which failure continues for a period of 60 days after written notice thereof shall have been given to the Servicer by the Owner; or

(iii) The entry against the Servicer of a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, including bankruptcy, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, which decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or

(iv) The Servicer shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Servicer or relating to all or substantially all of its property; or

28

(v) The Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency, bankruptcy or reorganization statute, make an assignment for the benefit of its creditors, voluntarily suspend payment of its obligations or cease its normal business operations for three Business Days.

If an Event of Default hereunder shall have occurred and be continuing, the Owner may, by notice given to the Servicer, terminate all of the rights and powers of the Servicer under this Agreement, including without limitation all rights of the Servicer to receive the servicing compensation. Upon the giving of such notice, all rights, powers, duties and responsibilities of the Servicer under this agreement, whether with respect to the Mortgage Notes, the Collection Account, any servicing compensation or otherwise, but excluding any obligation of the Servicer under Section 3.01 hereof with respect to the immediately preceding Servicer Remittance Date (which obligation shall remain an obligation of the Servicer notwithstanding any termination of the Servicer's rights and powers under this Agreement), shall vest in and be assumed by a new Servicer as provided in Section 7.01, and the Owner is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments (including any notices to Mortgagors deemed necessary or advisable by the Owner), and to do or accomplish all other acts or things necessary or appropriate to effect such vesting and assumption.

By a written notice, the Owner may waive any default by the Servicer in the performance of its obligations hereunder and its consequences. Upon any waiver of a past default, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived.

Section 6.02. No Effect on Other Parties.

Upon any termination of the rights and powers of the Servicer from time to time pursuant to Section 6.01 hereof or upon any appointment of a successor to the Servicer, all the rights, powers, duties and obligations of the Owner under this Agreement shall remain unaffected by such termination or

appointment and shall remain in full force and effect thereafter, except as otherwise expressly provided in this Agreement.

29

Section 6.03. Rights Cumulative

All rights and remedies from time to time conferred upon or reserved to the Owner are cumulative, and none is intended to be exclusive of another. No delay or omission in insisting upon the strict observance or performance of any provision of this Agreement, or in exercising any right or remedy, shall be construed as a waiver or relinquishment of such provision, nor shall it impair such right or remedy. Every right and remedy may be exercised from time to time and as often as deemed expedient.

ARTICLE VII MISCELLANEOUS

Section 7.01. Successor to the Servicer.

In the event that the Servicer's duties, responsibilities and liabilities under this Agreement should be terminated pursuant to Sections 4.02, 5.03, 6.01 or 7.02, the Servicer shall discharge such duties and responsibilities during the period from the date it acquires knowledge of such termination until the effective date thereof with the same degree of diligence and prudence which it is obligated to exercise under this Agreement, and shall take no action whatsoever that might impair or prejudice the rights or financial condition of its successor. The resignation or removal of the Servicer pursuant to the aforementioned sections shall not become effective until a successor servicer shall be appointed by the Owner and such resignation or removal of the Servicer shall not relieve the Servicer of the representations and warranties made pursuant to Sections 4.01 and the remedies available to the Owner under Section 4.02, it being understood and agreed that the provisions of such Sections 4.01 and 4.02 shall be applicable to the Servicer notwithstanding any such resignation or termination of the Servicer, or the termination of this Agreement.

The Servicer shall deliver promptly to the successor Servicer the funds in the Collection Account and Escrow Account, and the Servicer shall account for all of such funds. Within 30 days of the appointment of a successor entity by the Owner, the Servicer shall prepare, execute and deliver to the successor entity any and all documents and other instruments, place in such successor's possession all Servicing Files and do or cause to be done all other acts or things necessary or appropriate to effect the purposes of the notice of termination described in Section 6.01 and to more fully and definitively vest in the successor all such rights, powers, duties, responsibilities, obligations and

30

liabilities of the Servicer. The Servicer shall cooperate with the Owner and such successor in effecting the termination of the Servicer's responsibilities and rights hereunder and the transfer of servicing responsibilities to the successor servicer, including, without limitation, the transfer to such successor for administration by it of all cash amounts received with respect to the Mortgage Notes by the Servicer after it has received notice of termination. With respect to all FHA Loans serviced hereunder, the Servicer shall provide notice of such change in servicers to HUD on HUD form 92080 or such other form as prescribed by HUD, at least 10 days prior to such transfer of servicing.

Any successor appointed as provided herein shall execute, acknowledge and deliver to the Servicer and the Owner an instrument accepting such appointment, wherein the successor shall make the representations and warranties set forth in Section 4.01, whereupon such successor shall become fully vested with all the rights, powers, duties, responsibilities, obligations and liabilities of the Servicer, with like effect as if originally named as a party to this Agreement. Any termination or resignation of the Servicer or termination of this Agreement pursuant to Sections 4.02, 5.03, 6.01 or 7.02 shall not affect any claims that the Owner may have against the Servicer arising

out of the Servicer's actions or failure to act prior to any such termination or resignation.

Upon a successor's acceptance of appointment as such, the Servicer shall notify the Owner by mail of such appointment in accordance with the procedures set forth in Section 7.04.

Section 7.02. Termination of Agreement.

This Agreement shall commence upon the date hereof and shall, subject to earlier termination pursuant to the provisions of this Section 7.02, terminate upon the maturity date of the last loan serviced hereunder. This Agreement may be canceled and terminated (i) at any time hereunder by the Owner upon 60 days notice to the Servicer, or (ii) by mutual agreement of the parties hereto. In addition, this Agreement may be canceled and terminated by the Owner, by notice to the Servicer, upon the occurrence of any Event of Default as described in Section 6.01 hereof, such termination being a "Termination for Cause."

Section 7.03. Amendment

This Agreement may not be amended except pursuant to a written instrument executed by the Owner and the Servicer.

31

Section 7.04. Governing Law

This Agreement shall be construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

Section 7.05. Notices

All demand notices and communications hereunder shall be in writing and shall be deemed to have been duly given if mailed by overnight courier, delivered in person or mailed by registered or certified United States mail, postage prepaid, addressed as follows (or such address as may hereafter be furnished to the other party by like notice):

32

(a) If to the Owner:

Main Place Real Estate Investment Trust
100 North Tryon Street, 23rd Floor
NC1-007-23-02
Charlotte, North Carolina 28255
Attention: Secretary

(b) If to the Servicer:

NationsBanc Mortgage Corporation
101 East Main Street, Suite 400
Louisville, Kentucky 40202-5318
Attention: Elise Boucher

All notices and communications shall be deemed to have been received either at the time of the personal delivery thereof to any officer of the person entitled to receive such notices and communications at the address of such person for notices hereunder, or on the third day after the mailing thereof to such address, as the case may be.

Section 7.06. Severability of Provisions

If one or more of the provisions of this Agreement shall be

for any reason whatever held invalid or unenforceable, such provisions shall be deemed severable from the remaining covenants, agreements and provisions of this Agreement and such invalidity of unenforceability shall in no way affect the validity or enforceability of such remaining provisions or the rights of any parties hereto. To the extent permitted by law, the parties hereto hereby waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect.

33

Section 7.07. Inspection and Audit Rights.

The Servicer agrees that, on reasonable prior notice, it will permit any representative of the Owner, during the Servicer's normal business hours, to examine all the books of account, records, reports and other papers of the Servicer relating to the Mortgage Notes, to make copies and extracts therefrom, to cause such books to be audited by Independent Accountants selected by the Owner, and to discuss its affairs, finances and accounts relating to the Mortgage Notes with officers, employees and Independent Accountants of the Owner (and by this provision the Servicer hereby authorizes said accountants to discuss with such representatives such affairs, finances and accounts), all at such reasonable times and as often as may be reasonably requested. Any expense incident to this Section 7.07 shall be borne by the Owner, provided that if an audit is made during the continuance of an Event of Default, the expense incident to such audit shall be borne by the Servicer.

Section 7.08. Binding Effect

The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

Section 7.09. Article and Section Headings.

The article and section headings herein are for convenience of reference only, and shall not limit or otherwise affect the meaning hereof.

Section 7.10. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one Agreement.

34

IN WITNESS WHEREOF, the Owner and the Servicer have caused this Agreement to be duly executed by their respective officers duly authorized as of the day and year first above written.

MAIN PLACE REAL ESTATE
INVESTMENT TRUST

By: /s/ Gary S. Williams

Name: Gary S. Williams
Title: Senior Vice President

NATIONSBANC MORTGAGE CORPORATION

By: /s/ Frederick Wark

Name: Frederick Wark

Title: Senior Vice President

SERVICING AGREEMENT

Dated as of November 1, 1996

between

MAIN PLACE REAL ESTATE INVESTMENT TRUST

Owner

and

NATIONSBANK, N.A.

Servicer

TABLE OF CONTENTS

<TABLE>
<CAPTION>

	Page
ARTICLE I	
DEFINITIONS.....	1
ARTICLE II	
ADMINISTRATION AND SERVICING OF THE MORTGAGE NOTES.....	5
Section 2.01. Contract for Servicing; Possession of Servicing Files.....	5
Section 2.02. Commencement of Servicing Responsibilities.....	6
Section 2.03. The Servicer to Act as Servicer.....	6
Section 2.04. Collection of Mortgage Note Payments.....	7
Section 2.05. Foreclosure.....	7
Section 2.06. Sub-Servicing Agreements.....	7
Section 2.07. Maintenance of Flood Insurance.....	8
Section 2.08. Notification of Adjustments.....	8
Section 2.09. Completion and Recordation of Assignment of Mortgage Notices.....	9
Section 2.10. Servicing Compensation.....	9
Section 2.11. Withdrawals and Substitutions of Mortgage Notes.....	10
ARTICLE III	
REMITTANCES BY THE SERVICER.....	10
Section 3.01. Remittances to Owner.....	10
ARTICLE IV	
REPRESENTATIONS AND WARRANTIES.....	11
Section 4.01. Representations and Warranties of the Servicer.....	11

Section 4.02.	Remedies for Breach of Representations and Warranties of the Servicer.....	12

ARTICLE V		
THE SERVICER.....		13
Section 5.01.	Corporate Existence of the Servicer; Status as Servicer; Merger.....	13
Section 5.02.	Performance of Obligations.....	14
Section 5.03.	The Servicer Not to Resign; Assignment.....	14

ARTICLE VI		
DEFAULT.....		15
Section 6.01.	Events of Default.....	15
Section 6.02.	No Effect on Other Parties.....	16
Section 6.03.	Rights Cumulative.....	16

ARTICLE VII		
MISCELLANEOUS.....		17
Section 7.01	Successor to the Servicer.....	17
Section 7.02.	Termination of Agreement.....	18
Section 7.03.	Amendment.....	18
Section 7.04.	Governing Law.....	18
Section 7.05.	Notices.....	18
Section 7.06.	Severability of Provisions.....	19
Section 7.07.	Inspection and Audit Rights.....	19
Section 7.08.	Binding Effect.....	20
Section 7.09.	Article and Section Headings.....	20
Section 7.10.	Counterparts.....	20

</TABLE>

SERVICING AGREEMENT

Servicing Agreement, dated November 1, 1996, between MAIN PLACE REAL ESTATE INVESTMENT TRUST, a Maryland real estate investment trust (herein, together with its successors and assigns, called the "Owner"), and NATIONSBANK, N.A., a national banking association (herein, together with its

successors and assigns, called the "Servicer").

PRELIMINARY STATEMENT

The Owner is the holder and/or owner of all of the beneficial ownership interests in the Mortgage Notes. The Servicer is a contractor engaged in the business of servicing mortgage loans.

The Servicer and the Owner desire to enter into this Agreement to provide, among other things, for the servicing by the Servicer of the Mortgage Notes.

ARTICLE I DEFINITIONS

The following terms have the respective meanings set forth below for all purposes of this Agreement, and the definitions of such terms are applicable to the singular as well as to the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms:

Accepted Servicing Practices: With respect to any Mortgage Notes, the services and duties customary to the servicing by prudent lending institutions of mortgages of the same type as such Mortgage Notes in the jurisdictions where the related Mortgaged Properties are located.

Agreement: This Servicing Agreement and all amendments hereof and supplements hereto.

Assignment of Mortgage: An assignment of the Mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to reflect the transfer of the Mortgage to the party indicated therein, which assignment, notice of transfer or equivalent instrument may be in the form of one or more blanket assignments covering the Mortgage Notes secured by Mortgaged Properties located in the same jurisdiction, if permitted by law.

Best Efforts: Efforts determined to be reasonably diligent by the Owner or Servicer, as the case may be, in its sole discretion. Such efforts do not require the Owner or Servicer, as the case may be, to enter into any litigation, arbitration or other legal or quasi-legal proceeding, nor do they require the Owner or Servicer, as the case may be, to advance or expend fees or sums of money in addition to those specifically set forth in this Agreement.

Business Day: Any day other than (i) a Saturday, (ii) a Sunday, or (iii) a day that is either a legal holiday or a day on which banking institutions are authorized or obligated by law or regulation to close in the State of North Carolina (or, for purposes of remittances by the Servicer, any state in which functions relating to the collection of payments are performed).

Condemnation Proceeds: All awards of settlements in respect of a Mortgaged Property, whether permanent or temporary, partial or entire, by exercise of the power of eminent domain or condemnation, to the extent not required to be released to a Mortgagor in accordance with the terms of the related Mortgage Note documents.

Eligible Mortgage Note: Any Mortgage Note meeting the requirements of ss. 856 of the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder.

Event of Default: Any event set forth in Section 6.01.

Independent Accountant: Any accountant, who may also be the accountant who audits the books of the Servicer, who is independent with respect to the Servicer within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

Liquidation Proceeds: Cash received in connection with the liquidation of a defaulted Mortgage Note, whether through the sale or assignment

of such Mortgage Note, trustee's sale, foreclosure sale or otherwise, or the sale of the related REO Property, if the Mortgaged Property is acquired in satisfaction of the Mortgage Note.

Lock-box: Any lock-box account maintained by the Servicer at any financial institution for the purpose of collecting Monthly Payments on Mortgage Notes serviced hereunder.

2

Monthly Payment: The scheduled monthly payment of principal and interest on a Mortgage Note.

Mortgage: The mortgage, deed of trust, security agreement or other instrument securing a Mortgage Note, which creates a lien on an unsubordinated estate in real property securing such Mortgage Note.

Mortgage Interest Rate: The annual rate of interest borne at any time by a Mortgage Note.

Mortgage Note: The note or other evidence of the indebtedness of a Mortgagor secured by a Mortgage, each Mortgage Note subject to this Agreement being identified on the Mortgage Note Schedule.

Mortgage Note Schedule: The schedule of Mortgage Notes delivered by the Owner to the Servicer setting forth information with respect to such Mortgage Notes, which schedule shall be amended from time to time to reflect the addition of Mortgage Notes to, or the withdrawal of Mortgage Notes from, the terms of this Agreement.

Mortgaged Property: The real property securing repayment of the debt evidenced by a Mortgage Note.

Mortgagor: The obligor on a Mortgage Note.

NationsBank, N.A.: NationsBank, N.A., a national banking association.

NationsBank South: NationsBank, N.A. (South), a national banking association.

NRSRO: Any nationally recognized statistical rating organization.

Officer's Certificate: A certificate signed by the Chairman of the Board, the Vice Chairman of the Board, the President or any Vice President of the Servicer, and delivered to the Owner as required by this Agreement.

Opinion of Counsel: A written opinion of counsel, who may be an employee of the Servicer, and who is reasonably acceptable to the Owner.

3

Principal Prepayment: Any payment or other recovery of principal on a Mortgage Note which is received in advance of its scheduled due date, including any prepayment penalty or premium thereon, and which is not accompanied by an amount of interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment.

REO Disposition: The final sale by the Servicer, on behalf of the Owner, of any REO Property.

REO Disposition Proceeds: All amounts received with respect to an REO Disposition.

REO Property: A Mortgaged Property acquired by the Servicer on behalf and in the name of the Owner through foreclosure or by deed in lieu of foreclosure.

Servicing Advances: All customary, reasonable and necessary "out of pocket" costs and expenses (including reasonable attorneys' fees and disbursements) incurred in the performance by the Servicer of its servicing obligations, including, but not limited to, the cost of (a) the preservation, restoration and protection of the Mortgaged Property, (b) any enforcement or administrative or judicial proceedings, including foreclosures, (c) the management and liquidation of the Mortgaged Property if the Mortgaged Property is acquired in satisfaction of the Mortgage, (d) where collected, taxes, assessments, water rates, sewer rates and other charges which are or may become a lien upon the Mortgaged Property, and any flood insurance coverage and (e) any losses sustained by the Servicer with respect to the liquidation of the Mortgaged Property.

Servicing Fee:

(a) Subject to clause (b) hereof, the lesser of (i) the consideration specified in Annex I or any supplemental annex (subject to adjustment pursuant to clause (b) hereof) or (ii) such amount as would be charged by an unaffiliated third party in an arm's-length transaction for any relevant service. The Servicer shall invoice Owner monthly. Payment by Owner shall be due not later than 30 days after delivery by Servicer to Owner of an invoice detailing the services provided and calculation of the charges for such services.

(b) The prices described in Annex I may be changed periodically by the Servicer without notice to Owner. However, such prices shall be evaluated yearly during a meeting between representatives of the Servicer and the Owner, at which time Owner shall be given 30 days to reject any proposed

4

pricing changes and any changes instituted since the previous annual evaluation. In the event Owner rejects such pricing changes, Owner shall give written notice of such rejection and this Agreement will be terminated 90 days from the date of such rejection notice. Upon receipt of written notice of rejection of pricing changes, Servicer shall adjust Owner's pricing to reflect the previously approved pricing and rebate any excess payment where applicable. In the event Owner does not reject such pricing within the time specified, Owner shall be deemed to have accepted such pricing changes. Owner shall be furnished with a new Annex I, a copy of which will then be attached to this Agreement and thereby supersede any previous Annex I.

(c) Payment of the Servicing Fee and all other payments pursuant to this Agreement shall be effected by a monthly allocation of costs on the general ledger of the Owner. The parties hereto may agree to any other procedure to effect payment, including but not limited to changes in the frequency of allocation.

Servicing File: The items pertaining to a particular Mortgage Note including, but not limited to, the original Mortgage Note, the computer files, data disks, books, records, data tapes, notes, and all additional documents generated as a result of or utilized in originating and/or servicing each Mortgage Note, which are held in trust for the Owner by the Servicer.

5

ARTICLE II
ADMINISTRATION AND SERVICING OF THE MORTGAGE NOTES

Section 2.01. Contract for Servicing; Possession of Servicing Files.

The Owner, by execution and delivery of this Agreement, does hereby contract with the Servicer, subject to the terms of this Agreement, for the servicing of the Mortgage Notes that are from time to time subject to this Agreement. With respect to each Mortgage Note listed on the Mortgage Note Schedule as of the

date of this Agreement for which the Servicer does not have possession of a Servicing File as of the date hereof, the Owner shall cause to be delivered or will use its Best Efforts to cause to be delivered the related Servicing File to the Servicer as soon as practicable. With respect to each Mortgage Note that becomes subject to this Agreement after the date hereof, the Owner shall cause the Mortgage Note Schedule to be amended to reflect the Mortgage Notes then subject to this Agreement and shall cause to be delivered or will use its Best Efforts to cause to be delivered as soon as practicable each related Servicing File to the Servicer. Each Servicing File delivered to the Servicer shall be held by the Servicer in order to service the Mortgage Notes pursuant to this Agreement and is and shall be held in trust as agent for the Owner and for the benefit of the Owner as the owner thereof. The Servicer's possession of any Servicing File shall be at the will of the Owner for the sole purpose of facilitating servicing of the related Mortgage Note pursuant to this Agreement, and such retention and possession by the Servicer shall be in a custodial capacity only. The ownership of each Mortgage Note, Mortgage, and the contents of the Servicing File shall be vested in the Owner and the ownership of all records and documents with respect to the related Mortgage Loan prepared by or which come into the possession of the Servicer shall immediately vest in the Owner and shall be retained and maintained, in trust, by the Servicer at the will of the Owner in such custodial capacity only.

6

Section 2.02. Commencement of Servicing Responsibilities.

As of the date hereof, the Servicer shall assume all servicing responsibilities hereunder with respect to the Mortgage Notes.

Section 2.03. The Servicer to Act as Servicer.

(a) The Servicer, as an independent contractor, shall diligently service and administer the Mortgage Notes from and after the date hereof and shall have full power and authority, acting alone, to do any and all things in connection with such servicing and administration which the Servicer may deem necessary or desirable, consistent with Accepted Servicing Practices where such practices do not conflict with the requirements of this Agreement, including taking all actions that a mortgagee is permitted or required to take.

(b) Without limiting the generality of the foregoing, the Owner and the Servicer hereby agree as follows:

(i) The Servicer may waive any prepayment charge, assumption fee, late payment charge or any other charge in connection with the prepayment of a Mortgage Note;

(ii) The Servicer may arrange with a mortgagor a plan of relief, including a modification or extension of the Mortgage Note, when appropriate, rather than recommending liquidation;

(iii) The Servicer shall enforce "due-on-sale" clauses with respect to Mortgage Notes; provided, however, where an assumption of, or substitution of liability with respect to, a Mortgage Note is required by law the Servicer may permit the assumption of a Mortgage Note, pursuant to which the mortgagor shall remain liable on the Mortgage Note, or a substitution of liability with respect to such Mortgage Note, pursuant to which the new Mortgagor shall be substituted for the original Mortgagor as being liable on the Mortgage Note;

(iv) The Servicer may give any consents under the terms and provisions of any Mortgage Note, including, without limitation, consents to the placing of easements, covenants, conditions and restrictions on any Mortgaged Property; and

7

(v) The Servicer may permit the modification of an

Eligible Mortgage Note which the related Mortgagor has indicated a desire to refinance provided that any such Mortgage Note would continue to be Eligible Mortgage Note following such modification;

(c) The Servicer shall establish and maintain adequate and customary books and records with respect to each Mortgage Note and, upon request of the Owner shall, within a reasonable time following the Servicer's receipt of such request, furnish the same (in the form of either an original document or a certified true copy of such original document) to the Owner. In the event of a request for any non-standard report, the Servicer and the Owner shall mutually agree in writing to a reasonable expense reimbursement payable by the Owner to the Servicer for such report.

Section 2.04. Collection of Mortgage Note Payments.

Continuously from the date hereof until the date each Mortgage Note ceases to be subject to this Agreement, the Servicer shall proceed diligently to collect all payments due under each of the Mortgage Notes when the same shall become due and payable.

Section 2.05. Foreclosure.

The Servicer shall process and manage the foreclosure or other acquisition of the property securing any Mortgage Note; and pending completion of any such foreclosure, the protection of the Mortgaged Property from waste and vandalism. The Servicer will thereafter assign or convey to the Owner any title, equity or other property or right acquired by such proceedings. In no event shall the Servicer be required to take title in its name to any Mortgaged Property which has, or may reasonably be deemed to have, an environmental or similar problem or defect for which the Servicer would become liable by reason of its holding title to such property. The Owner agrees promptly to reimburse the Servicer for its reasonable Servicing Advances incurred in complying with its obligations under this paragraph, including attorney's fees. In case of a voluntary deed in lieu of foreclosure or the purchase of any such property by the Owner or for its account, the Owner will assume responsibility for the same. The marketing and sales of all REO Properties will be the responsibility of the Servicer, on behalf of the Owner.

Section 2.06. Sub-Servicing Agreements.

Any provision of this Agreement notwithstanding, the Servicer may contract with other Persons for the performance of its responsibilities, duties and obligations under this Agreement to service and administer any of the Mortgage Notes, provided that none of the provisions of this Section 2.06 relating to agreements or arrangements between the Servicer and other Persons, or to actions taken through any such other Persons or otherwise, shall be deemed to relieve the Servicer of any of its duties and obligations to the Owner with respect to the servicing and administration of the Mortgage Notes, and the Servicer shall be obligated with respect thereto to the same extent and under the same terms and conditions as if it alone were performing all duties and obligations in connection with servicing and administering the Mortgage Notes. The Servicer shall be entitled to enter into any agreement with any Person performing services for it related to its duties and obligations under this Agreement for indemnification of the Servicer by such Person, and nothing contained in this Agreement shall be deemed to limit or modify such indemnification. Any transactions or services relating to the Mortgage Notes involving any Person performing services for the Servicer shall be deemed to be between such Person and the Servicer alone, and the Owner shall not be deemed to be parties thereto and shall have no claims, rights, obligations, duties or liabilities with respect to any such Person.

Section 2.07. Maintenance of Flood Insurance.

With respect to any Mortgaged Property located in an area identified by the Federal Emergency Management Agency as having special flood hazards and as to which flood insurance has been made available, the Servicer

shall cause to be maintained a flood insurance policy maintained with a generally acceptable insurance carrier meeting the requirements of the current guidelines of the Federal Insurance Administration. Such flood insurance policy will provide coverage in an amount not less than the least of (i) the unpaid principal balance of the Mortgage Note, (ii) the insurable value of the Mortgaged Property and (iii) the maximum amount of insurance available under the Flood Disaster Protection Act of 1973, as amended.

In the event the Servicer receives actual notice of any loss or damage to any property securing a Mortgage Note, the Servicer will proceed diligently to adjust any loss or damage claim, and to protect the interest of the mortgagee under any such flood insurance policy covering the incidence of damage. In the event that the Owner shall request an inspection by an engineer or other professional construction inspector with respect to any such repairs, the Servicer will arrange for such inspection.

9

Section 2.08. Notification of Adjustments.

With respect to each adjustable rate Mortgage Note the Servicer shall adjust the Mortgage Interest Rate on the related interest rate adjustment date and shall adjust the Monthly Payment on the related mortgage payment adjustment date, if applicable, in compliance with the requirements of applicable law and the related Mortgage Note. The Servicer shall execute and deliver any and all necessary notices required under applicable law and the terms of the related Mortgage Note regarding the Mortgage Interest Rate and Monthly Payment adjustments. The Servicer shall promptly, upon written request therefor, deliver to the Owner such notifications and any additional applicable data regarding such adjustments and the methods used to calculate and implement such adjustments. Upon the discovery by the Servicer or the receipt of notice from the Owner that the Servicer has failed to adjust a Mortgage Interest Rate or Monthly Payment in accordance with the terms of the related Mortgage Note, the Servicer shall immediately remit to the Owner from its own funds the amount of any interest loss or deferral caused thereby.

Section 2.09. Completion and Recordation of Assignment of Mortgage Notices.

To the extent permitted by applicable law, each of the Assignments of Mortgage is subject to recordation in all appropriate public offices for real property records in all the counties or other comparable jurisdictions in which any or all of the Mortgaged Properties are situated, and in any other appropriate public recording office or elsewhere, such recordation to be effected at the Owner's expense at the direction of the Owner. If applicable, at the Owner's direction, the Servicer shall cause the endorsements on the Mortgage Note, the Assignment of Mortgage and the assignment of security agreement to be completed.

Section 2.10. Servicing Compensation.

As consideration for servicing the Mortgage Notes subject to this Agreement, the Servicer shall receive the relevant Servicing Fee for each Mortgage Note remaining subject to this Agreement.

In addition, the Servicer shall be entitled to retain as additional compensation the late charges and other fees and expenses related to loan assumptions, delinquencies, modifications, partial releases of security and releases for payment in full, if any, collected under the applicable loan documents or customarily collected by servicers consistent with Accepted Servicing Practices.

10

The Servicer shall be required to pay all expenses incurred by it in connection with its servicing activities hereunder and shall not be

entitled to reimbursement thereof except as specifically provided for herein.

Section 2.11. Withdrawals and Substitutions of Mortgage Notes.

Upon notice to the Servicer, the Owner may cause Mortgage Notes to become subject to the terms of this Agreement or remove Mortgage Notes from the terms of this Agreement. The addition of Mortgage Notes under this Section 2.12 shall be in accordance with the provisions of Section 2.01. In connection with the removal of any Mortgage Notes under this Section 2.12, the Servicer shall promptly transfer any funds received with respect to such Mortgage Notes not due to be paid to the Owner or to such other Person as the Owner may direct, and the Servicer shall take such other actions as the Owner may reasonably request to transfer the Servicing Files with respect to such Mortgage Notes to the Owner or at the direction of the Owner.

ARTICLE III
REMITTANCES BY THE SERVICER

Section 3.01. Remittances to Owner.

Subject to the provisions of this Section 3.01, the Servicer shall cause to be remitted nightly from the applicable Lock-box to the Owner all amounts collected by the Servicer pursuant to the Mortgage Notes as follows:

- (i) All payments on account of principal and interest received by the Servicer on the Mortgage Notes including Principal Prepayments (in whole or in part);
- (ii) All Liquidation Proceeds, net of expenses incurred in connection with any liquidation;
- (iii) Any amounts required to be deposited or credited by the Servicer in connection with interest loss or deferral as a result of a failure to adjust a Mortgage Interest Rate or Monthly Payment under Section 2.09 hereof.

11

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Servicer.

The Servicer, as a condition to the consummation of the transactions contemplated hereby, makes the following representations and warranties to the Owner as of the date hereof:

(a) Due Organization and Authority. The Servicer is a national banking association duly organized, validly existing and in good standing under the laws of the United States and has all licenses necessary to carry on its business as now being conducted and is licensed, qualified and in good standing in each state where a Mortgaged Property is located if the laws of such state require licensing or qualification in order to conduct business of the type conducted by the Servicer, and in any event the Servicer is in compliance with the laws of any such state to the extent necessary to ensure the enforceability of the terms of this Agreement; the Servicer has the full corporate power and authority to execute and deliver this Agreement and to perform in accordance herewith; the execution, delivery and performance of this Agreement by the Servicer and the consummation of the transactions contemplated hereby have been duly and validly authorized; this Agreement evidences the valid, binding and enforceable obligation of the Servicer and all requisite corporate action has been taken by the Servicer to make this Agreement valid and binding upon the Servicer in accordance with its terms;

(b) Ordinary Course of Business. The consummation of the transactions contemplated by this Agreement are in the ordinary course of business of the Servicer;

(c) No Conflicts. Neither the execution and delivery of this

Agreement, the acquisition of the servicing responsibilities by the Servicer of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, will conflict with or result in a breach of any of the terms, conditions or provisions of the Servicer's charter or by-laws or any legal restriction or any agreement or instrument to which the Servicer is now a party or by which it is bound, or constitute a default or result in an acceleration under any of the foregoing, or result in the violation of any law, rule, regulation, order, judgment or decree to which the Servicer or its property is subject, or impair the ability of the Servicer to service the Mortgage Notes, or impair the value of the Mortgage Notes;

12

(d) Ability to Perform. The Servicer does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement;

(e) No Litigation Pending. There is no action, suit, proceeding or investigation pending or, to the best of the Servicer's knowledge, threatened against the Servicer which, either in any one instance or in the aggregate, may result in any material adverse change in the business, operations, financial condition, properties or assets of the Servicer, or in any material impairment of the right or ability of the Servicer to carry on its business substantially as now conducted, or in any material liability on the part of the Servicer, or which would draw into question the validity of this Agreement or of any action taken or to be taken in connection with the obligations of the Servicer contemplated herein, or which would be likely to impair materially the ability of the Servicer to perform under the terms of this Agreement;

(f) No Consent Required. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Servicer of or compliance by the Servicer with this Agreement, or if required, such approval has been obtained prior to the date hereof;

(g) No Untrue Information. Neither this Agreement nor any statement, report or other document furnished or to be furnished pursuant to this Agreement or in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not misleading.

13

Section 4.02. Remedies for Breach of Representations and Warranties of the Servicer.

It is understood and agreed that the representations and warranties set forth in Section 4.01 shall survive the engagement of the Servicer to perform the servicing responsibilities as of the date hereof hereunder and the delivery of the Servicing Files to the Servicer and shall inure to the benefit of the Owner. Upon discovery by either the Servicer or the Owner of a breach of any of the foregoing representations and warranties which materially and adversely affects the ability of the Servicer to perform its duties and obligations under this Agreement or otherwise materially and adversely affects the value of the Mortgage Notes, the Mortgaged Property or the priority of the security interest on such Mortgaged Property or the interest of the Owner, the Person discovering such breach shall give prompt written notice to the other party to this Agreement.

Within 60 days of the earlier of either discovery by or notice to the Servicer of any breach of a representation or warranty set forth in Section 4.01 which materially and adversely affects the ability of the Servicer to perform its duties and obligations under this Agreement or otherwise materially and adversely affects the value of the Mortgage Notes, the Mortgaged Property or the priority of the security interest on such Mortgaged Property, the Servicer shall use its Best Efforts promptly to cure such breach in all material respects and, if such breach cannot be cured, the Servicer shall, at

the Owner's option, assign the Servicer's rights and obligations under this Agreement (or respecting the affected Mortgage Notes) to a successor servicer, subject to the approval of the Owner, which approval shall be in the Owner's sole discretion. Such assignment shall be made in accordance with Section 7.01.

In addition, the Servicer shall indemnify the Owner and hold the Owner harmless against any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and other reasonable out-of-pocket costs and expenses resulting from any claim, demand, defense or assertion based on or grounded upon, or resulting from, a breach of the Servicer representations and warranties contained in this Agreement.

Any cause of action against the Servicer relating to or arising out of the breach of any representations and warranties made in Section 4.01 shall accrue upon (i) discovery of such breach by the Servicer or notice thereof by the Owner to the Servicer, (ii) failure by the Servicer to cure such breach within the applicable cure period, and (iii) demand upon the Servicer by the Owner for compliance with this Agreement.

14

ARTICLE V THE SERVICER

Section 5.01. Corporate Existence of the Servicer; Status as Servicer; Merger.

(a) Subject to Section 5.01(b) hereof, the Servicer shall keep in full force its existence, rights and franchises as a corporation, and will obtain and preserve its qualification to do business as a foreign corporation in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of the Mortgage Notes and this Agreement.

(b) Any Person into which the Servicer may be merged or consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Servicer shall be a party, or any Person succeeding to the properties and assets of the Servicer substantially as a whole, shall be the successor of the Servicer hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided, however, that the successor or surviving Person shall execute an agreement of assumption to perform every obligation of the Servicer hereunder and shall be an institution having a net worth of not less than \$10,000,000.

Section 5.02. Performance of Obligations.

(a) The Servicer shall diligently perform and observe all of its obligations and agreements contained in this Agreement.

(b) The Servicer shall not take any action, or permit any action to be taken by others, which would excuse any Person from any of its covenants or obligations under any Mortgage Note, or which would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, a Mortgage Note or any such instrument, except as expressly provided herein or therein.

15

Section 5.03. The Servicer Not to Resign; Assignment.

(a) The Owner has entered into this Agreement with the Servicer in reliance upon the status of the Servicer as a mortgage servicer, and the representations as to the adequacy of its servicing facilities, plant, personnel, records and procedures, its integrity, reputation and financial standing, and the continuance thereof. Therefore, the Servicer shall not assign this Agreement or the servicing responsibilities hereunder or delegate its

rights or duties hereunder or any portion hereof (to other than a Subservicer) or sell or otherwise dispose of all or substantially all of its property or assets without the prior written consent of the Owner, which consent shall not be unreasonably withheld by the Owner.

(b) The Servicer shall not resign from the obligations and duties hereby imposed on it except upon (i) the appointment of a successor Servicer in the manner provided in Section 7.01, or (ii) the determination that its duties hereunder are no longer permissible under applicable law and such incapacity cannot be cured by the Servicer. Any such determination permitting the resignation of the Servicer shall be evidenced by an Opinion of Counsel to such effect delivered to the Owner, which Opinion of Counsel shall be in form and substance acceptable to the Owner.

(c) Without in any way limiting the generality of this Section 5.03, in the event that the Servicer either shall assign this Agreement or the servicing responsibilities hereunder or delegate its duties hereunder or any portion thereof (to other than a Subservicer) or sell or otherwise dispose of all or substantially all of its property or assets, without the prior written consent of the Owner, then the Owner shall have the right to terminate this Agreement upon notice given as set forth in Section 6.01, without any payment of any penalty or damages and without any liability whatsoever to the Servicer or any third party.

(d) Except as provided in this Section 5.03 or Sections 4.02 or 6.01 hereof, the duties and obligations of the Servicer under this Agreement shall continue until this Agreement shall have been terminated as provided in Section 7.02 hereof, and shall survive the exercise by the Owner of any right or remedy under this Agreement or the enforcement by the Owner of this Agreement.

16

ARTICLE VI DEFAULT

Section 6.01. Events of Default.

Any of the following acts or occurrences shall constitute an Event of Default by the Servicer under this Agreement:

(i) The Servicer shall fail to distribute any amounts required to be distributed to the Owner pursuant to Section 3.01 hereof, which failure continues unremedied for five days; or

(ii) The Servicer shall fail duly to observe or perform in any material respects any covenants or agreements of this Agreement, which failure continues for a period of 60 days after written notice thereof shall have been given to the Servicer by the Owner; or

(iii) The entry against the Servicer of a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, including bankruptcy, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, which decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or

(iv) The Servicer shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Servicer or relating to all or substantially all of its property; or

(v) The Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency, bankruptcy or reorganization statute, make an assignment for the benefit of its creditors, voluntarily suspend payment of its obligations or cease its normal business operations for three Business Days.

If an Event of Default hereunder shall have occurred and be continuing, the Owner may, by notice given to the Servicer, terminate all of the rights and powers of the Servicer under this Agreement, including without

17

limitation all rights of the Servicer to receive the servicing compensation. Upon the giving of such notice, all rights, powers, duties and responsibilities of the Servicer under this agreement, whether with respect to the Mortgage Notes, any servicing compensation or otherwise, shall vest in and be assumed by a new Servicer as provided in Section 7.01, and the Owner is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments (including any notices to Mortgagors deemed necessary or advisable by the Owner), and to do or accomplish all other acts or things necessary or appropriate to effect such vesting and assumption.

By a written notice, the Owner may waive any default by the Servicer in the performance of its obligations hereunder and its consequences. Upon any waiver of a past default, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived.

Section 6.02. No Effect on Other Parties.

Upon any termination of the rights and powers of the Servicer from time to time pursuant to Section 6.01 hereof or upon any appointment of a successor to the Servicer, all the rights, powers, duties and obligations of the Owner under this Agreement shall remain unaffected by such termination or appointment and shall remain in full force and effect thereafter, except as otherwise expressly provided in this Agreement.

Section 6.03. Rights Cumulative.

All rights and remedies from time to time conferred upon or reserved to the Owner are cumulative, and none is intended to be exclusive of another. No delay or omission in insisting upon the strict observance or performance of any provision of this Agreement, or in exercising any right or remedy, shall be construed as a waiver or relinquishment of such provision, nor shall it impair such right or remedy. Every right and remedy may be exercised from time to time and as often as deemed expedient.

18

ARTICLE VII MISCELLANEOUS

Section 7.01. Successor to the Servicer.

In the event that the Servicer's duties, responsibilities and liabilities under this Agreement should be terminated pursuant to Sections 4.02, 5.03, 6.01 or 7.02, the Servicer shall discharge such duties and responsibilities during the period from the date it acquires knowledge of such termination until the effective date thereof with the same degree of diligence and prudence which it is obligated to exercise under this Agreement, and shall take no action whatsoever that might impair or prejudice the rights or financial condition of its successor. The resignation or removal of the Servicer pursuant to the aforementioned sections shall not become effective until a successor servicer shall be appointed by the Owner and such resignation or removal of the Servicer shall not relieve the Servicer of the representations and warranties made pursuant to Sections 4.01 and the remedies available to the Owner under Section 4.02, it being understood and agreed that the provisions of such

Sections 4.01 and 4.02 shall be applicable to the Servicer notwithstanding any such resignation or termination of the Servicer, or the termination of this Agreement.

Within 30 days of the appointment of a successor entity by the Owner, the Servicer shall prepare, execute and deliver to the successor entity any and all documents and other instruments, place in such successor's possession all Servicing Files and do or cause to be done all other acts or things necessary or appropriate to effect the purposes of the notice of termination described in Section 6.01 and to more fully and definitively vest in the successor all such rights, powers, duties, responsibilities, obligations and liabilities of the Servicer. The Servicer shall cooperate with the Owner and such successor in effecting the termination of the Servicer's responsibilities and rights hereunder and the transfer of servicing responsibilities to the successor servicer, including, without limitation, the transfer to such successor for administration by it of all cash amounts received with respect to the Mortgage Notes by the Servicer after it has received notice of termination.

Any successor appointed as provided herein shall execute, acknowledge and deliver to the Servicer and the Owner an instrument accepting such appointment, wherein the successor shall make the representations and warranties set forth in Section 4.01, whereupon such successor shall become fully vested with all the rights, powers, duties, responsibilities, obligations

19

and liabilities of the Servicer, with like effect as if originally named as a party to this Agreement. Any termination or resignation of the Servicer or termination of this Agreement pursuant to Sections 4.02, 5.03, 6.01 or 7.02 shall not affect any claims that the Owner may have against the Servicer arising out of the Servicer's actions or failure to act prior to any such termination or resignation.

Upon a successor's acceptance of appointment as such, the Servicer shall notify the Owner by mail of such appointment in accordance with the procedures set forth in Section 7.04.

Section 7.02. Termination of Agreement.

This Agreement shall commence upon the date hereof and shall, subject to earlier termination pursuant to the provisions of this Section 7.02, terminate upon the maturity date of the last loan serviced hereunder. This agreement may be canceled and terminated (i) at any time hereunder by the Owner upon 60 days notice by to the Servicer, or (ii) otherwise by mutual agreement of the parties hereto. In addition, this Agreement may be canceled and terminated by the Owner, by notice to the Servicer, upon the occurrence of any Event of Default as described in Section 6.01 hereof, such termination being a "Termination for Cause."

Section 7.03. Amendment

(a) This Agreement may not be amended except pursuant to a written instrument executed by the Owner and the Servicer.

Section 7.04. Governing Law.

This Agreement shall be construed in accordance with the laws of the State of New York and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

Section 7.05. Notices

All demand notices and communications hereunder shall be in writing and shall be deemed to have been duly given if mailed by overnight courier, delivered in person or mailed by registered or certified United States mail, postage prepaid, addressed as follows (or such address as may hereafter be furnished to the other party by like notice):

(a) If to the Owner:

Main Place Real Estate Investment Trust
 100 North Tryon Street, 23rd Floor
 NC1-007-23-02
 Charlotte, North Carolina 28255
 Attention: President

(b) If to the Servicer:

NationsBank, N.A.
 c/o NationsBank Corporation,
 Legal Department
 100 North Tryon Street, 20th Floor
 Charlotte, North Carolina 28255
 Attention: George Walls, Esq.

with a copy to:

NationsBanc Services, Inc.
 4161 Piedmont Parkway
 Greensboro, North Carolina 27410
 Attention: Charles Brummitt

All notices and communications shall be deemed to have been received either at the time of the personal delivery thereof to any officer of the person entitled to receive such notices and communications at the address of such person for notices hereunder, or on the third day after the mailing thereof to such address, as the case may be.

Section 7.06. Severability of Provisions.

If one or more of the provisions of this Agreement shall be for any reason whatever held invalid or unenforceable, such provisions shall be deemed severable from the remaining covenants, agreements and provisions of this Agreement and such invalidity of unenforceability shall in no way affect the validity or enforceability of such remaining provisions or the rights of any parties hereto. To the extent permitted by law, the parties hereto hereby waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect.

Section 7.07. Inspection and Audit Rights.

The Servicer agrees that, on reasonable prior notice, it will permit any representative of the Owner, during the Servicer's normal business hours, to examine all the books of account, records, reports and other papers of the Servicer relating to the Mortgage Notes, to make copies and extracts therefrom, to cause such books to be audited by Independent Accountants selected by the Owner, and to discuss its affairs, finances and accounts relating to the Mortgage Notes with officers, employees and Independent Accountants of the Owner (and by this provision the Servicer hereby authorizes said accountants to discuss with such representatives such affairs, finances and accounts), all at such reasonable times and as often as may be reasonably requested. Any expense incident to this Section 7.07 shall be borne by the Owner, provided that if an audit is made during the continuance of an Event of Default, the expense incident to such audit shall be borne by the Servicer.

Section 7.08. Binding Effect.

The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties

hereto.

Section 7.09. Article and Section Headings

The article and section headings herein are for convenience of reference only, and shall not limit or otherwise affect the meaning hereof.

Section 7.10. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one Agreement.

22

IN WITNESS WHEREOF, the Owner and the Servicer have caused this Agreement to be duly executed by their respective officers duly authorized as of the day and year first above written.

MAIN PLACE REAL ESTATE
INVESTMENT TRUST

By: /s/ Gary S. Williams

Name: Gary S. Williams
Title: Senior Vice President

NATIONSBANK, N.A.

By: /s/ Gary S. Williams

Name: Gary S. Williams
Title: Senior Vice President

ADVISORY AGREEMENT

THIS AGREEMENT is made this 1st day of November between MAIN PLACE REAL ESTATE INVESTMENT TRUST, a Maryland real estate investment trust (the "Trust"), and NATIONSBANK, N.A., a national banking association (the "Advisor"). Capitalized terms used herein shall have the meanings set forth in Section 1 of this Agreement.

WHEREAS, the Trust intends to qualify as a "real estate investment trust" ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Trust desires to avail itself of the experience and assistance of the Advisor and to have the Advisor undertake, on the Trust's behalf, the duties and responsibilities hereinafter set forth, subject to the control and supervision of the Board of Trustees of the Trust (the "Board of Trustees") as provided for herein; and

WHEREAS, the Advisor desires to render such services for the Trust subject to the control and supervision of the Board of Trustees, on the terms and conditions hereinafter set forth.

NOW THEREFORE, the parties hereto agree as follows:

Section 1.

Definitions. As used herein, the following terms shall have the respective meanings set forth below:

"Advisor" has the meaning set forth in the recitals of this Agreement.

"Advisor Termination Date" means the date on which this Agreement terminates.

"Agreement" means this Advisory Agreement, as amended, modified and supplemented from time to time.

"Board of Trustees" has the meaning set forth in the forepart of this Agreement.

"Code" has the meaning set forth in the recitals of this Agreement.

"Independent Trustee" means the member or members of the Board of

Trustees of the Trust who are not current employees of the Trust, NationsBank Corporation, the Advisor or any affiliate of the Advisor, provided that the Independent Trustee may be an officer of the Trust.

"Person" means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies or associations, limited liability companies, joint ventures, associations, consortia, companies, trusts, banks, trust companies, land trusts, common law trusts, business trusts or other entities, governments and agencies and political subdivisions thereof.

"REIT" has the meaning set forth in the recitals of this Agreement.

"Trust" has the meaning set forth in the recitals of this Agreement.

Section 2.

Duties of Advisor. The Advisor shall consult with the Board of Trustees and the officers of the Trust and shall, at the request of the Board of Trustees or the officers of the Trust, furnish advice and recommendations with respect to all aspects of the business and affairs of the Trust. Subject to the control and sole discretion and at the request of the Board of Trustees, the Advisor shall:

(a) administer the day-to-day operations and affairs of the Trust, including without limitation, the performance or supervision of the functions described in this Section 2;

(b) monitor the credit quality of the mortgage loans and other real estate mortgage assets held by the Trust;

(c) advise the Trust with respect to the acquisition, management, financing and disposition of the Trust's mortgage loans and other real estate mortgage assets;

(d) represent the Trust in its day-to-day dealings with Persons with whom the Trust interacts, including without limitation, securityholders of the Trust, transfer agents, consultants, accountants, attorneys, servicers of the Trust's mortgage loans, custodians, insurers and banks;

(e) establish and provide necessary services for the Trust, including executive, administrative, accounting, shareholder relations, secretarial, recordkeeping, copying, telephone, mailing and distribution facilities;

(f) provide the Trust with office space, conference room facilities, office equipment and personnel necessary for the services to be performed by the Advisor hereunder at a reasonable market price;

(g) arrange, schedule and coordinate the regular and special meetings of the Board of Trustees required to conduct the affairs of the Trust or for timely action on any matters the Trust is required to act upon to implement all decisions of the Board of Trustees, unless otherwise instructed, with regard to the Trust and its assets;

(h) maintain communications and relations with the securityholders of the Trust, including but not limited to, responding to inquiries, proxy and consent solicitations, providing reports to securityholders and arranging and coordinating all meetings of securityholders;

(i) arrange for the investment and management of any short-term investments of the Trust;

(j) arrange for the services of third parties, including but not limited to mortgage loan servicers who may be the Advisor or affiliates of the Advisor, to collect and distribute funds of the Trust and to perform such functions as the Board of Trustees shall from time to time require;

(k) monitor and supervise the performance of all parties who have contracts to perform services for the Trust, provided that the Advisor shall have no duty to assume the obligations or guarantee the performance of such parties under such contracts;

(l) establish and maintain such bank accounts in the name of the Trust as may be required by the Trust and approved by the Board of Trustees and ensure that all funds collected by the Advisor in the name or on behalf of the Trust shall be held in trust and shall not be commingled with the Advisor's own funds or accounts;

(m) arrange for the execution and delivery of such documents and instruments by the officers of the Trust as may be required in order to perform the functions herein described and to take any other required action;

(n) arrange for insurance for the Trust to be paid for by Trust, including liability insurance, errors and omissions policies and officers and directors policies which shall cover and insure the Trust, members of the Board of Trustees and the officers of the Trust in amounts and with deductibles and insurers approved by the Board of Trustees;

(o) maintain proper books and records of the Trust's affairs and furnish or cause to be furnished to the Board of Trustees such periodic reports and accounting information as may be required

from time to time by the Board of Trustees, including, but not limited to quarterly reports of all income and expenses of and distributions of the Trust;

(p) consult and work with legal counsel for the Trust to implement Trust decisions and undertake measures consistent with all pertinent Federal, state and local laws and rules or regulations of governmental or quasi-governmental agencies, including, but not limited to, Federal and state securities laws, the Code, as it relates to the Trust's qualification as a REIT, a REMIC or a FASIT, and the regulations promulgated under each of the foregoing;

(q) consult and work with accountants for the Trust in connection with the preparation of financial statements, annual reports and tax returns;

(r) arrange for an annual audit of the books and records of the Trust by the accounting firm designated for such purposes by the Board of Trustees;

(s) prepare and distribute in consultation with the accountants for the Trust, annual reports to securityholders, the trustee under any indenture of trust to which the Trust is a party or the Securities and Exchange Commission, which will contain audited financial statements;

(t) furnish reports to the Board of Trustees and provide research, economical and statistical data in connection with the Trust's investments; and

(u) as reasonably requested by the Trust, make reports to the Trust of its performance of the foregoing services and furnish advice and recommendations with respect to other aspects of the business of the Trust.

Section 3. Compensation. The Trust shall pay to the Advisor, for services rendered by the Advisor hereunder, a management fee payable annually in an amount equal to \$500,000 per year, subject to adjustment upon 90 days' notice by the Advisor to the Trust of the proposed change and the Trust's consent thereto.

Expenses of the Advisor. (a) Without regard to the compensation received pursuant to Section 3, the Advisor will bear the following expenses:

(i) employment expenses of the personnel employed by the Advisor, including without limitation, salaries, wages, payroll taxes and the cost of employee benefit plans; and

(ii) rent, telephone equipment, utilities, office furniture and equipment and machinery and other office expenses of the Advisor incurred in connection with the maintenance of any office facility of the Advisor.

(b) The Trust shall reimburse the Advisor within 30 days of a written request by the Advisor for any expenses referenced in (a)

above. All other expenses shall be paid by the party receiving the benefit of the services rendered.

Section 5. Records. The Advisor shall maintain appropriate books of account and records relating to services performed hereunder, and such books of account and records shall be accessible for inspection by the Board of Trustees or representatives of the Trust at all times.

Section 6. REIT Qualification and Compliance. The Advisor shall consult and work with the Trust's legal counsel in maintaining the Trust's qualification as a REIT. Notwithstanding any other provisions of this Agreement to the contrary, the Advisor shall refrain from any action which, in its reasonable judgment or in the judgment of the Board of Trustees (of which the Advisor has received written notice), would adversely affect the qualification of the Trust as a REIT or which would violate any law, rule or regulation of any governmental body or agency having jurisdiction over the Trust or its securities, or which would otherwise not be permitted by the declaration of trust or bylaws of the Trust. Furthermore, the Advisor shall take any action which, in its judgment or the judgment of the Board of Trustees (of which the Advisor has received written notice), may be necessary to maintain the qualification of the Trust as a REIT or prevent the violation of any law or regulation of any governmental body or agency having jurisdiction over the Trust or its securities.

Section 7. Term; Termination. This Agreement shall be in full force and effect for a term beginning on the date hereof with an initial term of five years, and will be renewed automatically for additional five year periods unless the Trust delivers a notice of nonrenewal to the Advisor not less than 90 days prior to the expiration of the initial term of this Agreement or 90 days prior to the expiration of any renewal term. Notwithstanding the foregoing, at any time after the initial term, the Trust may terminate this Agreement, in its sole discretion, upon 90 days' prior notice.

Section 8. Other Activities of the Advisor.

(a) Nothing herein contained shall prevent the Advisor, an affiliate of the Advisor or an officer, a director, employee or stockholder of the Advisor from engaging in any activity, including without limitation, originating, purchasing and managing mortgage loans and other real estate assets, rendering of services and investment

advice with respect to real estate investment opportunities to any other Person (including other REITs) and managing other investments (including the investments of the Advisor and its affiliates);

(b) Trustees, officers, stockholders, employees and agents of the Advisor or of the affiliates of the Advisor may serve as directors, officers, employees or agents of the Trust but shall receive no

compensation (other than reimbursement for expenses) from the Trust for such service.

Section 9. Binding Effect; Assignment. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. Neither party may assign this Agreement or any of its respective rights hereunder (other than an assignment to a successor organization which acquires substantially all of the property of such party or, in the case of the Advisor, to an affiliate of the Advisor) without the prior written consent of the other party to this Agreement.

Section 10. Subcontracting. The Advisor may at any time subcontract all or a portion of its obligations under this Agreement to any affiliate of the Advisor without the consent of the Trust. The Advisor shall not subcontract, and shall not permit any of its affiliates to subcontract, any of its obligations under this Agreement to Persons who are not affiliates of the Advisor. Notwithstanding the foregoing, the Advisor will not, in connection with subcontracting any of its obligations under this Agreement, be relieved or discharged in any respect from its obligations under this Agreement.

Section 11. Liability and Indemnity of the Advisor. The Advisor assumes no responsibilities under this Agreement other than to perform the services called for hereunder in good faith. Neither the Advisor nor any of its affiliates, stockholders, directors, officers or employees will have any liability to the Trust, or shareholders of the Trust, or others except by reason of acts or omissions constituting gross negligence or wilful breach of any of its material obligations under this agreement. The Trust shall indemnify and reimburse (if necessary) the Advisor, its stockholders, directors, officers, employees and agents for any and all expenses, including without limitation, attorneys' fees, losses, damages, liabilities, demands and charges of any nature whatsoever in respect of or arising from any acts or omissions by the Advisor pursuant to this Agreement, provided that the conduct against which the claim is made was determined by such person, in good faith, to be in the best interest of the Trust and was not the result of gross negligence by such person or willful breach of any of such person's material obligations by such person. The Advisor agrees that any such indemnification is recoverable only from the assets of the Trust and not from the shareholders.

Section 12. Action Upon Notice of Non-Renewal or Termination. Forthwith upon giving of notice of non-renewal of this Agreement by the Trust or of termination of this Agreement by the Trust, the Advisor shall not be entitled

to compensation after the Advisor Termination Date for further services under this Agreement but shall be paid all compensation accruing to the Advisor Termination Date and shall be reimbursed for all expenses of the Trust paid or incurred by the Advisor as of the Advisor Termination Date which are reimbursable by the Trust under this Agreement. The Advisor shall promptly after the Advisor Termination Date:

(i) deliver to the Trust all assets and documents of the Trust then in the custody of the Advisor; and

(ii) cooperate with the Trust and take all reasonable steps requested to assist the Board of Trustees in making an orderly transfer of the administrative functions of the Trust.

Section 13. No Joint Venture or Partnership. Nothing in this Agreement shall be deemed to create a partnership or joint venture between the parties, whether for purposes of taxation or otherwise.

Section 14. Notices. Unless expressly provided otherwise herein, all notices, request, demands and other communications required or permitted under this Agreement shall be in writing and shall be made by hand delivery, certified mail, overnight courier service, fax, telex or telecopier. Any notice shall be duly addressed to the parties as follows:

If to the Trust:

Main Place Real Estate
Investment Trust
100 North Tryon Street, 23rd Floor
Charlotte, North Carolina 28255

Attention: John E. Mack
Fax No.: (704) 386-0270

If to the Advisor:

NationsBank, N.A.
c/o NationsBank Corporation, Legal Department
100 North Tryon Street, 20th Floor
Charlotte, North Carolina 28255

Attention: George Walls, Esq.
Fax No.: (704) 386-6453

Either party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 14 for the giving of notice.

Section 15. Severability. If any term or provision of this Agreement or the application thereof with respect to any Person or circumstance shall, to

any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of that term or provision to persons or circumstances other than

those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

Section 16. Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of New York.

Section 17. Amendments. This Agreement shall not be amended, changed, modified, terminated or discharged in whole or in part except by an instrument in writing signed by both parties hereto or their respective successors or assigns, or otherwise as provided herein.

Section 18. Headings. The section headings herein have been inserted for convenience of reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers thereunto duly authorized as of the day and year first above written.

MAIN PLACE REAL ESTATE INVESTMENT
TRUST

By: /s/ Gary S. Williams.

Name: Gary S. Williams
Title: Senior Vice President

NATIONSBANK, N.A.

By: /s/ Gary S. Williams.

Name: Gary S. Williams

Title: Senior Vice President

CONTRIBUTION AGREEMENT
DATED AS OF SEPTEMBER 20, 1996

This Contribution Agreement (the "Agreement") dated as of September 20, 1996, is between Main Place Funding Corporation, a Delaware corporation (the "Issuer"), and NationsBank, N.A. (South), a national banking association ("NationsBank South").

WITNESSETH THAT:

WHEREAS, NationsBank South desires to transfer legal and equitable title to certain of the mortgage notes which are listed in Exhibit A attached hereto (the "Mortgage Notes") to the Issuer pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual promises hereinafter contained, it is mutually covenanted and agreed as follows:

1. CONTRIBUTION OF MORTGAGE NOTES. NationsBank South does hereby transfer, assign, set over and otherwise convey to the Issuer all of its right, title and interest in and to the Mortgage Notes, including all interest and principal received or receivable by it on or with respect to the Mortgage Notes after the date of this Agreement, together with all of its right, title and interest in and to the proceeds of any related title, hazard, private mortgage or other insurance policies.

At the direction of the Issuer, NationsBank South hereby delivers to the Trustee or the Custodian all documents, instruments and agreements required to be delivered by the Issuer to the Trustee or the Custodian, respectively, under the Indenture of Trust dated as of October 31, 1995, (the "Indenture"), between the issuer and First Trust National Association, as trustee (the "Trustee"), relating to the issuance by the Issuer of its Mortgage-Backed Bonds, Series 1995-2 Due 2000. Terms used without definition herein shall have the respective meanings assigned to them in the Indenture.

2. REPRESENTATIONS AND WARRANTIES. NationsBank South hereby represents and warrants to the Issuer as of the date of this Agreement (unless otherwise indicated) that:

(i) the information set forth with respect to the Mortgage Notes in Exhibit A hereto is true and correct in all material respects at the date or dates respecting which such information is furnished as specified therein;

(ii) NationsBank South is the sole owner and holder of each Mortgage Note, free and clear of any and all liens, pledges, charges or security interests of any nature and has

full right and authority to sell and assign the same;

(iii) each Mortgage Note is either an Eligible Adjustable-Rate Mortgage Note or an Eligible Fixed-Rate Mortgage Note, as applicable, and all of the Mortgage Notes, individually and collectively, are Eligible Mortgage Notes;

(iv) to the best of NationsBank South's knowledge, all taxes, governmental assessments, insurance premiums, and water, sewer and municipal charges previously due and owing have been paid, or an escrow of funds in an amount sufficient to pay for every such item which remains unpaid has been established to the extent permitted by law; and NationsBank South has not advanced funds, directly or indirectly, for the payment of any amount required by any Mortgage, except for interest accruing from the date of related Mortgage note or date of disbursement of any Mortgage Note proceeds, whichever is later, to the date which precedes by 30 days the first due date under any related Mortgage Note;

(v) to the best of NationsBank South's knowledge, there is no proceeding pending or threatened for the total or partial condemnation of any Mortgaged Property and any Mortgaged Property is undamaged by water, fire, earthquake or earth movement, windstorm, flood, tornado or similar casualty (excluding casualty from the presence of hazardous wastes or hazardous substances, as to which NationsBank South makes no representation), so as to affect adversely the value of any Mortgaged Property as security for any Mortgage Note or the use for which such premises were intended;

(vi) each Mortgage Note meets, or is exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury, and such Mortgage Note is not usurious; any and all requirements of any federal, state or local law with respect to the origination of the Mortgage Notes including, without limitation, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity or disclosure laws applicable to the Mortgage notes have been complied with;

(vii) each Mortgage Note, related Mortgage and other agreements executed in connection therewith are genuine, and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement

of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law); and, to the best of NationsBank South's knowledge, all parties to each Mortgage Note had legal capacity to execute each such Mortgage Note and each such Mortgage Note has been duly and properly executed by the mortgagor;

(viii) the Mortgaged Property securing each Mortgage Note is insured by an insurer acceptable to FNMA or FHLMC against loss by fire and such hazards as are covered under a standard extended coverage endorsement, in an amount which is not less than the lesser of 100% of the insurable value of the Mortgaged Property and the outstanding principal balance of the Mortgage Note, but in no event less than the minimum amount necessary to fully compensate for any damage or loss on a replacement cost basis; if the Mortgaged Property is a condominium

-2-

unit, it is included under the coverage afforded by a blanket policy for the project; if upon origination of the Mortgage Note, the improvements on the Mortgaged Property were in an area indemnified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards, a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier, in an amount representing coverage not less than the least of (A) the outstanding principal balance of the Mortgage Note, (B) the full insurable value and (C) the maximum amount of insurance which was available under the Flood Disaster Protection Act of 1973; and each Mortgage obligates the mortgagor thereunder to maintain all such insurance at the mortgagor's cost and expense;

(ix) to the best of the NationsBank South's knowledge, there is no default, breach, violation or event of acceleration existing under any Mortgage or the related Mortgage Note and no event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration; NationsBank South has not waived any default, breach, violation or event of acceleration; no foreclosure action is threatened or has been commenced by NationsBank South with respect to any Mortgage Note;

(x) each Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security, including realization by judicial foreclosure (subject to any limitation arising from any bankruptcy, insolvency or other law for the relief of debtors), and there is no homestead or other law for the relief of debtors), and there is no homestead or other exemption available to the mortgagor which would interfere with such right of foreclosure; and

(xi) to the best of NationsBank South's knowledge, no mortgagor is a debtor in any state or federal bankruptcy or insolvency proceeding.

No representations or warranties are made by NationsBank South as to the absence or effect of hazardous wastes or hazardous substances on any of the Mortgaged Properties or on the lien of any Mortgage or with respect to the absence or effect of fraud in the origination of any Mortgage Note, and any loss or liability resulting from the presence or effect of such hazardous wastes, hazardous substances or fraud will be borne solely by the Issuer.

3. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to principles of conflicts of law.

4. COUNTERPARTS. This Agreement may be executed in a number of counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one Agreement.

-3-

IN WITNESS WHEREOF, the Issuer and NationsBank South have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

MAIN PLACE FUNDING CORPORATION

By: /s/ John E. Mack

Name: John E. Mack

Title: President and Treasurer

NATIONSBANK, N.A. (SOUTH)

By: /s/ John E. Mack

Name: John E. Mack

Title: Senior Vice President

-4-

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