

**AMENDMENT NO. 1  
TO  
CONFIDENTIALITY AGREEMENT**

**THIS AMENDMENT NO. 1 TO CONFIDENTIALITY AGREEMENT** (this "**Amendment**") is made as of July 13, 2009 by and between *Centerline Holding Company*, a Delaware statutory trust (the "**Company**"), and *Island Capital Group LLC*, a Delaware limited liability company ("**Recipient**").

Reference is hereby made to (i) that certain Confidentiality Agreement, dated May 4, 2009, between the Company and Recipient (the "**Existing Confidentiality Agreement**") and (ii) that certain Authorization Agreement, dated July 4, 2009, between Island C-III Holdings LLC ("**Island Sub**") and the Company (the "**Authorization Agreement**"). Capitalized terms used but not defined herein have the respective meanings ascribed to them in the Existing Confidentiality Agreement or the Authorization Agreement, as applicable.

In recognition of (i) Island Sub's obligations under Section 5.3 of the Authorization Agreement to use commercially reasonable efforts to obtain equity and/or debt commitments sufficient to consummate the Transaction and (ii) the commercial impracticability of Island Sub being able to do so if it continues to be subject to the consent requirements of Section 3(b) of the Existing Confidentiality Agreement, the Company and Recipient hereby agree that, from and after the date of this Amendment:

- (a) the first sentence Section 3(b) of the Existing Confidentiality Agreement shall apply only with respect to any third party who is a competitor of the Company, as identified on Schedule B to the Authorization Agreement; and
- (b) notwithstanding the second sentence of Section 3(b) of the Existing Confidentiality Agreement, a Person who (x) is a potential source of debt or equity capital or debt or equity financing or a potential joint bidder but (y) is not (i) a competitor of the Company, as identified on Schedule B to the Authorization Agreement, (ii) contemplated to be a non-passive equity investor in the Transaction or (iii) a current or former trustee or officer of the Company, shall constitute an Associate of Recipient for purposes of the Existing Confidentiality Agreement (without the need for any consent thereto by the Company, written or otherwise).

The Company and the Recipient agree that Sections 11 through 14 of the Existing Confidentiality Agreement are incorporated herein by reference substituting the word "Amendment" for the word "Agreement" where used therein, and such Sections shall apply to this Amendment as if set forth herein.

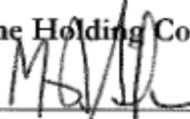
Except for the changes to the Existing Confidentiality Agreement specifically provided for in this Amendment, the Existing Confidentiality Agreement remains in full force and effect.

[Signature Page Follows]



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

**Centerline Holding Company**

By:   
\_\_\_\_\_  
Marc D. Schnitzer  
Chief Executive Officer

**Island Capital Group LLC**

By:   
\_\_\_\_\_  
Jeffrey P. Cohen  
President