

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

November 22, 2002

CEDAR INCOME FUND, LTD.

(Exact name of registrant as specified in charter)

Maryland 0-14510 42-1241468

(State or other (Commission (IRS Employer
Jurisdiction of File Number) Identification No.)
Incorporation)

44 South Bayles Avenue, Port Washington, New York 11050

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (516) 767-6492

(Former name or former address, if changed since last report)

Item 2. Acquisition or Disposition of Assets

Purchase of Camp Hill Mall, Camp Hill, PA

As of November 22, 2002, pursuant to an Agreement of Purchase and Sale effective as of August 14, 2002, as amended, Cedar Income Fund Partnership, L.P. (the "Operating Partnership") through a newly-created limited liability company ("Cedar-Camp Hill, LLC" or "Borrower"), in which the Operating Partnership is the sole member, purchased the Camp Hill Mall, an approximate 520,000 square foot regional shopping mall with several outparcels located on approximately 44 acres in Camp Hill, Pennsylvania ("Camp Hill") for approximately \$17.2 million, plus closing costs of approximately \$1 million. Anchor tenants include Boscov's, a Giant supermarket, Barnes & Noble and Zany Brainy. The Seller is an affiliate of the Connecticut General Life Insurance Company.

Cedar Bay Realty Advisors, Inc. ("CBRA"), advisor to the Company, is entitled to receive a 1% (\$172,000) acquisition fee. Such acquisition fee shall be paid out of available cash. CBRA is wholly-owned by Leo S. Ullman. Mr. Ullman is President and Chairman of the Board of the Company.

Purchase of the property was funded with a first mortgage from Citizens Bank of Pennsylvania ("Citizens Bank") in the amount of \$14 million. The loan is for a period of 24 months plus an option for an additional 12 month period to be exercised upon at least 30 days' written notice prior to the maturity of the initial term.

The interest rate on the loan was determined by a "spread" of 195 basis points over 30-day LIBOR (London Inter Bank Offered Rate). The Borrower entered into an interest rate "swap" for the entire amount and term of the loan, swapping 30-day LIBOR for a fixed rate of 2.79%, so as to result in a fixed rate of 4.74%. Interest is payable monthly on an interest only basis for the initial term of the loan. The loan is prepayable at any time without penalty except for any applicable "breakage fees" under the interest rate protection agreement.

Repayment of the loan is with recourse only to the property, except that Cedar

Income Fund, Ltd. (the "Company") and the Operating Partnership have guaranteed repayment of 25% of the loan amount, and are also responsible, without limitation, for liability under the loan resulting from fraud or willful misrepresentation, environmental matters, retention of funds within the possession of the Borrower or guarantor after an event of default or misappropriation of proceeds.

The Borrower paid a commitment fee of 0.75% of the loan amount to the lender and a 0.75% broker loan fee to a third party. In the event Borrower opts to extend the term of the loan for an additional year, an extension fee equal to 1/8 of 1% of the then-outstanding loan balance would be due. Extension of the loan would also be subject to certain coverage ratios, continued occupancy by certain anchor tenants, and to the absence of any default or material adverse change in the financial condition of the Borrower.

At closing, SWH Funding Corp. ("SWH") funded \$6 million of which approximately \$4.3 million was used to fund the purchase and closing costs for the Camp Hill property and to provide approximately \$100,000 of working capital. The balance of the net SWH funding, approximately \$1.3 million, was used to pay off the then-existing loan balance of approximately \$880,000, (attributable to financing provided by SWH with respect to the acquisition, in October 2001, of three supermarket anchored shopping centers in the Philadelphia, Pennsylvania area), together with certain "exit fees" of approximately \$500,000. The term of the SWH loan shall be until November 30, 2005. The loan carries an interest rate of 12.5% (14% from December 1, 2004 through maturity) on any outstanding balance and provides for monthly principal payments of \$50,000 each commencing January 1, 2003, a \$2 million payment (the first mandatory prepayment) on April 1, 2003, continued payments of \$50,000 on the 5th through 12th months and \$60,000 from the 13th through 17th months, \$3 million (the second mandatory prepayment) on the 18th month, and \$60,000 from the 19th month through maturity. In the event the first mandatory prepayment of \$2 million is not made on April 1, 2003, the monthly principal payments are increased to \$150,000 per month commencing on the 5th month through and including the 12th month and \$200,000 commencing in the 13th month through the 17th month. If the second mandatory prepayment (of \$3 million) is not made on the 18th month, the Borrower will be required to pay \$250,000 per month commencing in the 19th month through maturity.

In addition to the interest and principal payments, SWH received a funding fee equal to 5% of the loan amount (\$300,000) at closing and will receive an exit fee of \$120,000 if the loan is paid on or prior to February 28, 2004; if repaid subsequent to February 28, 2004, SWH will receive the sum of \$120,000 plus the product of (i) \$30,000 and (ii) the number of months between February 2004 and the date the loan is paid in full. The loan may be repaid at any time after six months in whole or in part without penalty. In the event of default, in addition to a default interest rate of 17.5%, Borrower will also be required to pay a late charge equal to 5% of the amount overdue.

The security for repayment of the SWH financing remains the Company's equity interests (owned through certain single purpose LLC's) in those three supermarket-anchored properties, together with a pledge of the Operating Partnership's interest in the LLC which now owns the Camp Hill property, which is subordinate to Citizens Bank's mortgage. Citizens Bank and SWH have entered into certain inter-creditor agreements which provide, among other things, for notice and other procedures in the event of a default under either of the loan agreements.

The Camp Hill Mall presently generates net operating income of approximately \$1.2 million. Such level of net operating income includes annualized income from short-term leases, income (based upon historic results) from specialty leasing activity and percentage rent income from one of the center's anchors. In the event that either the short-term leases are not renewed or replaced, or the specialty leasing activity and/or percentage rent income is less than expected, then future net operating income may be substantially less than \$1.2 million. Annualized debt service on the first mortgage and the SWH financing in the aggregate, excluding any mandatory prepayments, will be approximately \$502,000 for the first three months and \$1,100,000 for the fourth through 12th months.

Management believes that it will be able to make the first mandatory prepayment and any operating deficit from proceeds of refinancings in connection with proposed redevelopment of the Camp Hill property either by the Company alone or with one or more joint venture partner(s), corporate financings through the issuance of additional common stock and new preferred stock, and/or the sale of (interests in) one or more of its properties, including, without limitation, the Camp Hill property itself and/or the three supermarket-anchored properties in the Philadelphia, Pennsylvania area mentioned above. However, there can be no assurances with respect to the Company's ability to raise such funds.

The materials herein include summaries prepared by management of written agreements with respect to the transactions described. Such summaries are intended to reflect and describe the terms and provisions of various agreements with respect to such transactions and are subject in each case to the terms and

provisions of the underlying agreements, where applicable, filed together with this report.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

- (a) Financial statements of the property acquired will be filed separately.
- (b) Pro Forma financial information relative to the acquired property will be filed separately.
- (c) Exhibits

The following exhibits are included herein:

- (10.1) Agreement of Purchase and Sale between Connecticut General Life Insurance Company and Cedar Income Fund Partnership, L.P., dated August 12, 2002;
- (10.2) First Amendment to Agreement of Purchase and Sale between Connecticut General Life Insurance Company and Cedar Income Fund Partnership, L.P., dated September 12, 2002;
- (10.3) Second Amendment to Agreement of Purchase and Sale between Connecticut General Life Insurance Company and Cedar Income Fund Partnership, L.P., dated as of October 31, 2002;
- (10.4) Third Amendment to Agreement of Purchase and Sale between Connecticut General Life Insurance Company and Cedar Income Fund Partnership, L.P., dated as of November 15, 2002;
- (10.5) Assignment and Assumption of Contract of sale between Cedar Income Fund Partnership, L.P. and Cedar-Camp Hill, LLC dated as of November __, 2002;
- (10.6) Limited Liability Company Agreement of Cedar-Camp Hill, LLC by Cedar Income Fund Partnership, L.P., effective as of November 1, 2002;
- (10.7) Property Management Agreement by and between Cedar-Camp Hill, LLC and Brentway Management LLC dated as of November __, 2002;
- (10.8) Promissory Note to Cedar Income Fund Partnership, L.P. by SWH Funding Corp. in the amount of \$6,000,000, dated as of November __, 2002;
- (10.9) Loan Agreement by and between SWH Funding Corp. and Cedar Income Fund Partnership, L.P., dated as of November __, 2002;
- (10.10) Loan Agreement by and between Cedar-Camp Hill, LLC and Citizens Bank of Pennsylvania, executed on November 14, 2002;
- (10.11) Open-End Mortgage and Security Agreement between Cedar Camp Hill, LLC, Cedar Bay Realty Advisors, Inc. and Citizens Bank of Pennsylvania, executed on November 14, 2002;
- (10.12) Promissory Note to Cedar-Camp Hill, LLC by Citizens Bank of Pennsylvania in the amount of \$14,000,000, executed on November 14, 2002 for November 15, 2002;
- (10.13) Guaranty and Suretyship Agreement by Cedar Income Fund, Ltd. and Cedar Income Fund Partnership, L.P. in favor of Citizens Bank of Pennsylvania, executed on November 14, 2002 for delivery on November 15, 2002;
- (10.14) Environmental Indemnity Agreement by Cedar-Camp Hill, LLC as Borrower and Citizens Bank of Pennsylvania as Lender on that certain parcel of land identified as Camp Hill Mall, executed on November 14, 2002 for delivery on November 15, 2002;
- (10.15) General Collateral Assignment and Security Agreement by and between Cedar-Camp Hill, LLC and Citizens Bank of Pennsylvania, executed on November 14, 2002 for delivery on November 15, 2002;
- (10.16) Assignment of Leases and Rents by Cedar-Camp Hill, LLC and Citizens Bank of Pennsylvania, executed on November 14, 2002 for November 15, 2002;
- (10.17) Assignment and Assumption Agreement of Agreement for Completion and Guarantee between Connecticut General Life Insurance Company and Cedar-Camp Hill, LLC, executed as of November __, 2002;
- (10.18) Assignment and Assumption of Leases and Security Deposits by and between Connecticut General Life Insurance Company and Cedar-Camp Hill, LLC, executed as of November __, 2002;
- (10.19) Bill of Sale and General Assignment by Connecticut General Life Insurance Company conveying to Cedar-Camp Hill, LLC, dated as of November __, 2002;
- (10.20) Indenture (Deed) between Connecticut General Life Insurance Company and Cedar-Camp Hill, LLC; dated as of November __, 2002;
- (10.21) Side Letter from Connecticut General Life Insurance Company to Cedar-Camp Hill, LLC regarding receivables, dated November 15, 2002;
- (10.22) Pledge and Security Agreement by Cedar Income Fund Partnership,

- L.P. and SWH Funding Corp. regarding that certain Loan Agreement; dated as of November 22, 2002;
- (10.23) Agreement and Acknowledgement of Pledge and Security Agreement to SWH Funding Corp. by Cedar Income Fund Partnership, L.P. and Cedar Center Holdings L.L.C.3, dated as of November 22, 2002;
 - (10.24) Agreement and Acknowledgement of Pledge and Security Agreement to SWH Funding Corp. by Cedar Income Fund Partnership, L.P. and Cedar-Camp Hill, LLC, dated as of November 22, 2002;
 - (10.25) Guaranty made by Cedar Income Fund, Ltd. to SWH Funding Corp. regarding that certain Loan Agreement, dated as of November 22, 2002;
 - (10.26) Intercreditor Recognition Agreement among Citizens Bank of Pennsylvania, SWH Funding Corp., Cedar-Camp Hill, LLC and Cedar Income Fund Partnership, L.P., dated as of November 22, 2002;
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- (10.27) Citizens Bank of Pennsylvania Interest Rate Swap Agreement for Cedar-Camp Hill, LLC, dated as of November 22, 2002;
 - (99.1) Press Release issued by Cedar Income Fund, Ltd., regarding purchase of Camp Hill Mall, Camp Hill, Pennsylvania, dated November 25, 2002.

SIGNATURES

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.

CEDAR INCOME FUND, LTD.

By: /s/ Leo S. Ullman

Leo S. Ullman
Chairman

Dated: December 9, 2002

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (this "Agreement") is made by and between CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation ("Seller"), CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Purchaser"), as of the "Effective Date" (as defined below).

Article I.

Property

Seller hereby agrees to sell, and Purchaser hereby agrees to buy, all of the following property: (a) a parcel of real property (the "Land"), located in the Borough of Camp Hill, Township of East Pennsboro, County of Cumberland, and Commonwealth of Pennsylvania, more particularly described on Exhibit A attached to this Agreement, containing approximately 45 acres; (b) the buildings and other improvements located on the Land, (collectively, the "Improvements") including, without limitation, a shopping center containing approximately 522,629 square feet of gross rentable space, generally known as "Camp Hill Mall", together with all rents, issues, profits, appurtenant easements, and other rights, parking areas, tenements and hereditaments belonging or pertaining to the Land or the Improvements (the Land and the Improvements are referred to herein, collectively, as the "Real Property"); and (c) all fixtures, equipment, leases, licenses, trade names, permits, franchises, license agreements, and equipment leases (all to the extent any of the foregoing are assignable by Seller), and other personal property (both tangible and intangible, including, without limitation, any service and maintenance agreements that Purchaser has agreed to assume pursuant to the terms of this Agreement, but shall exclude the property management agreement, which shall be terminated) owned by Seller and used in the operation or management of the Real Property (the "Personal Property") (collectively, the Real Property and the Personal Property are sometimes referred to herein as the "Property").

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Article II.

Purchase Price and Deposits

The purchase price which the Purchaser agrees to pay and the Seller agrees to accept for the Property shall be the sum of Seventeen Million Two Hundred Thousand and No/100 Dollars (\$17,200,000.00) (hereinafter referred to as the "Purchase Price"), subject to adjustment as provided in Article V hereof, payable as follows:

(a) An earnest money deposit (the "Earnest Deposit") of Two Hundred Thousand and No/100 Dollars (\$200,000.00), in cash, to be deposited with New York Land Services, Inc. (sometimes referred to herein as "Escrow Holder" or the "Title Company") at the office set forth in the section entitled "Notices" below, within three (3) business days after execution hereof by both parties, such amount to be held in escrow and deposited in an interest-bearing account; and

(b) An additional earnest money deposit (the "Additional Deposit") of Two Hundred Thousand and No/100 Dollars (\$200,000.00), in cash, to be deposited by Purchaser with the Escrow Holder within three (3) business days after expiration of the Feasibility Period (hereinafter defined), such amount to be held in escrow and deposited in an interest-bearing account (the Additional Deposit and the Earnest Deposit, together with interest thereon, will be collectively referred to hereinafter as the "Deposit"); and

(b) The balance of the Purchase Price shall be paid at time of Closing by Federal wire transfer, with the transfer of funds to Seller to be completed by 2:00 P.M. Eastern Time on the day of the Closing. As used in this Agreement, the term "Eastern Time" shall be deemed to mean Eastern Standard Time or Eastern Daylight Time, as applicable.

The Deposit shall be paid to Seller at the Closing as a credit against the Purchase Price. Purchaser shall provide the Escrow Holder with its tax identification number, and all interest shall be for Purchaser's account for tax purposes.

In addition to the Deposit, Purchaser shall deliver three (3) fully executed originals of this Agreement to the Escrow Holder immediately after execution by both parties. The date of delivery of the originals shall be acknowledged by the Escrow Holder on all three, and such date shall be the

"Effective Date" of this Agreement. The Escrow Holder shall retain one (1) original of this Agreement and deliver one (1) original hereof to each of Purchaser and Seller.

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The Escrow Holder shall hold the Deposit subject to and in accordance with this Agreement. It is agreed that the Escrow Holder shall not release the Deposit except upon the mutual written consent of both parties hereto, or, if such consent is not obtained, the Escrow Holder may deliver the Deposit to the party entitled to same pursuant to the provisions of this Contract, provided not less than five (5) business days' prior written notice is given to the parties. If after sending such notice, if the Escrow Holder receives written notice from either party disputing the intended disposition of the Deposit as indicated in said notification from the Escrow Holder, then notwithstanding anything herein contained to the contrary, the Escrow Holder shall retain the Deposit until the dispute is settled, as evidenced by mutual written agreement of the parties, or until the Escrow Holder is instructed otherwise by a final judgment of a court of competent jurisdiction. In the event of such dispute, the Escrow Holder shall also have the right to deposit said Deposit into a court of competent jurisdiction and from and after the date such deposit is made and notice thereof is given to Purchaser and Seller, the Escrow Holder shall be released and discharged of all obligations with respect thereto.

It is further agreed and understood: (1) that the Escrow Holder shall not be liable for the disposition of the Deposit, except in the case of its gross negligence or willful disregard of the provisions of this Agreement; and (2) that no compensation shall be paid to the Escrow Holder for its services performed hereunder. Seller and Purchaser hereby indemnify and hold Escrow Holder harmless against any loss, cost, liability, judgment, claim or other expense whatsoever (including reasonable attorneys' fees) incurred or arising out of the performance of its duties hereunder, except claims arising from Escrow Holder's gross negligence or willful breach of its duties.

Article III.

Failure to Close

3.1 Purchaser's Default. If Seller has complied with all of the covenants and conditions contained herein and is ready, willing and able to convey the Property in accordance with this Agreement, this Agreement has not otherwise been terminated and Purchaser fails to consummate this Agreement and take title, then the parties hereto recognize and agree that the damages that Seller will sustain as a result thereof will be substantial, but difficult if not impossible to ascertain. Therefore, the parties agree that, in the event of Purchaser's default, Seller shall, as its sole remedy, be entitled to retain the Deposit as liquidated damages, and neither party shall have any further rights or obligations with respect to the other under this Agreement, except for the Surviving Covenants (hereinafter defined).

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3.2 Seller's Default. In the event that Purchaser has complied with all of the covenants and conditions contained herein and is ready, willing and able to take title to the Property in accordance with this Agreement, and Seller fails to consummate this Agreement and convey title as set forth herein, then Purchaser may, as its sole remedy, elect within thirty (30) days of such failure to either: (i) terminate this Agreement and recover the Deposit plus all reasonable third-party out of pocket costs and expenses up to a maximum of Thirty Thousand Dollars (\$30,000), or (ii) seek specific performance of this Agreement provided, however, that unless Purchaser notifies Seller within thirty (30) days after the Closing Date (as hereinafter defined) that it intends to enforce specific performance, commences such action for specific performance within sixty (60) days after the Closing Date, and provides Seller a copy of the complaint filed in connection therewith in accordance with the notice provisions of this Agreement within such sixty (60) day period, the remedy of specific performance shall be deemed waived by Purchaser and Purchaser shall be deemed to have elected the remedy specified in clause (i) above.

Article IV.

Closing and Transfer of Title

4.1 Closing. The parties hereto agree to conduct a closing of this sale (the "Closing") on or before 10:00 a.m. on October 10, 2002 (the "Closing Date") in the principal office of Seller's counsel or at such other place as may be agreed upon by the parties hereto. This Agreement shall terminate if transfer of title is not completed by the Closing Date (unless such failure to close is due to Seller's default, the date for Closing is extended pursuant to any provision hereof, including, without limitation, the matters described in Sections 6.3, 6.4, 6.5 and Article VII hereof, or the date for Closing is extended by agreement of the parties, which agreement shall be confirmed in writing). Notwithstanding the foregoing, or any other provision herein, Seller shall have no obligation to close if the closing and transfer of title does not occur on or before December 19, 2002, unless such failure to close is due solely to the default of Seller.

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4.2 Closing Procedure. Seller shall execute and deliver or cause to be delivered: (a) a Special Warranty Deed, in the form attached hereto as Exhibit C, proper for recording, conveying Seller's interest in the Real Property to Purchaser, subject, however, to: (i) restrictions as reported in the Title Commitment (defined in Section 6.5) or shown on the Survey (as defined in Section 6.4) and either approved by Purchaser or as to which objection has been waived by Purchaser, (ii) taxes not yet due and payable, (iii) the rights of lessees and licensees of space in the Improvements at the time of Closing (to the extent shown on the Rent Roll), and (iv) any encumbrances permitted by the terms of this Agreement; (b) a Bill of Sale and General Assignment in the form attached hereto as Exhibit D, dated as of the date of Closing, conveying to Purchaser any and all Personal Property; (c) an Assignment and Assumption of Leases and Security Deposits in the form attached hereto as Exhibit E, dated the date of Closing, assigning all of the landlord's right, title and interest in and to any tenant and other leases covering all or any portion of the Real Property and in and to any and all security deposits; (d) an Assignment and Assumption of Borough of Camp Hill Agreement (the "Assignment and Assumption of Borough of Camp Hill Agreement") assigning that certain Borough of Camp Hill Agreement for Completion and Guarantee of Plan Improvements, a copy of which is attached hereto as Exhibit H; (e) Tenant Notification Letters (the "Tenant Notices"), dated the date of the Closing, executed by Seller, and complying with applicable statutes in order to relieve Seller of liability for tenant security deposits (provided the security deposits are paid to Purchaser), notifying the tenants of the Real Property that the Property has been sold to Purchaser and directing the tenants to pay rentals to Purchaser (or Purchaser's designated agent); (f) the originals of all leases, lease files and, to the extent in Seller's possession or under Seller's control, as built plans and specifications and maintenance and service contracts that are to be assumed; (g) tenant estoppel certificates executed by all tenants listed on Exhibit I attached hereto, and at least seventy-five percent (75%), as measured by floor area, of the remaining tenants of space in the Improvements, in the form attached hereto as Exhibit J, and a representation and warranty by Seller as to the same matters for all leases shown on the Rent Roll for which no tenant estoppel certificate was obtained; (h) an updated Rent Roll, in the form of the Rent Roll attached hereto as Exhibit B, dated as of the date of Closing; (i) an affidavit that Seller is not a "foreign person" in the form attached as Exhibit F; (j) a master key or duplicate key for all locks in the Improvements; and (k) to the extent in the possession of Seller or Seller's property management company, all maintenance records and other non-proprietary files related to and located at the Property or at the offices of Seller's property manager.

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Purchaser shall be responsible for obtaining an Owner's Title Insurance Policy provided, however, that Purchaser's obligation to proceed with the consummation of this transaction shall be conditioned upon there being no items listed on Schedule B of the Title Insurance Policy other than those listed on Schedule B of the Title Commitment (as hereinafter defined) that were either approved by Purchaser or as to which objection has been waived by Purchaser in accordance with the provisions of Section 6.5 of this Agreement.

4.3 Purchaser's Performance. At the Closing, Purchaser will cause the Purchase Price to be delivered to the Title Company, will execute and deliver the Tenant Notices, the Assignment and Assumption of Leases and Security Deposits, the Assignment and Assumption of Borough of Camp Hill Agreement, and the Bill of Sale and General Assignment.

4.4 Evidence of Authority; Miscellaneous. Both parties will deliver to

the Title Company and each other such evidence or documents as may reasonably be required by the Title Company or either party hereto evidencing the power and authority of Seller and Purchaser and the due authority of, and execution and delivery by, any person or persons who are executing any of the documents required hereunder in connection with the sale of the Property. Both parties will execute and deliver such other documents as are reasonably required to effect the intent of this Agreement.

Article V.

Prorations of Rents, Taxes, Etc.

Real estate taxes for the year of closing shall be prorated as of 12:01 a.m. on the date of Closing either using actual tax figures or, if actual figures are not available, then using as a basis for said proration the most recent assessed value of the Real Estate multiplied by the current tax rate, with a subsequent cash adjustment to be made between Purchaser and Seller when actual tax figures are available. Purchaser acknowledges that the costs associated with the appeal of real estate taxes shall be treated as an expense of the Property, and to the extent tenant leases provide for payment of a portion of such costs, such amounts shall be prorated and reimbursed to Seller in accordance with this Article V. Personal property taxes, annual permit or inspection fees, sewer charges and other expenses normal to the operation and maintenance of the Property shall also be prorated as of 12:01 a.m. on the date of Closing. With respect to any property tax appeals or reassessments filed by Seller before or after the Closing Date for tax years prior to the tax fiscal year in which the Closing occurs, any and all payments received shall belong to Seller. Rents that have been collected for the month of the Closing will be prorated at the Closing, effective as of 12:01 a.m. on the date of the Closing. With regard to rents that are delinquent as of the date of the Closing, (i) no proration will be made at the Closing, (ii) Purchaser will make a good faith effort after the Closing to collect the rents in the usual course of Purchaser's operation of the Property, and (iii) Purchaser will apply all rents so collected first to the current rents, second to delinquent rents owed to Purchaser, third to costs of collection of any such delinquent rents, and the excess amount, if any, shall then be applied to delinquent rents owed to Seller. It is agreed, however, that Purchaser will not be obligated to institute any lawsuit or other collection procedures to collect delinquent rents. Rents collected by Seller after the Closing Date shall be promptly delivered to Purchaser for allocation and distribution as set forth hereinabove.

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As of the Closing Date, Purchaser shall be entitled to a credit for any tenant deposits under the leases.

Final readings on all gas, water and electric meters shall be made as of 12:01 a.m. on the date of closing, if possible. If final readings are not possible, gas, water and electricity charges will be prorated based on the most recent period for which costs are available. Any deposits made by Seller with utility companies shall be returned to Seller. Purchaser shall be responsible for making all arrangements for the continuation of utility services and Seller shall cooperate with Purchaser to the extent required to accomplish such continuation. After the Closing, Purchaser will assume full responsibility for all security deposits and advance rental deposits of current tenants of the Real Property currently held by Seller, which items will be itemized by Seller and credited to Purchaser at the Closing.

All items (including taxes) that are not subject to an exact determination shall be estimated by the parties. When any item so estimated is, within twelve months after the Closing, capable of exact determination, the party in possession of the facts necessary to make the determination shall send the other party a detailed report on the exact determination so made and the parties shall adjust the prior estimate within thirty (30) days after both parties have received said reports.

Notwithstanding the foregoing, Purchaser acknowledges that Seller reserves the right to any appeal of the real property tax assessments for the Property for the year 2002 and all years prior to the Closing. Seller agrees to cooperate and coordinate with Purchaser in connection with any appeal for tax year 2002. Seller further agrees to take no action that may prejudice any tax appeal rights that Purchaser may have for its period of ownership during tax year 2002.

The provisions of this Article V shall survive the Closing.

ARTICLE VI.

Purchaser Inspections and Contingencies

6.1 Document Inspection. Seller has made the following items relating to the Real Property available for review by Purchaser, to the extent in Seller's or its property manager's possession:

1. Copies of all service and maintenance agreements;
2. A rent roll of the tenants of the Property
3. Copies of all tenant leases
4. Copies of any certificates of occupancy, licenses and permits and governmental approvals
5. Copies of any lease commission agreements
6. Copies of any major warranties currently in effect
7. Books and records of the Property
8. Copies of any environmental or engineering studies
9. Delinquency report
10. Copy of Seller's existing title policy, with exceptions
11. Seller's most recent survey of property
12. Copy of current operating budget
13. Any tax appeal documents
14. All plans and construction drawings
15. Financial statements for the Property for the past three (3) years
16. Monthly operating statements for the past three (3) years
17. Real estate tax bills for the past three (3) years
18. Utility bills for the past twelve (12) months
19. Detail on tenant by tenant basis for reimbursements for CAM, taxes and insurance with supporting schedule of expenses

Purchaser agrees that if for any reason the Closing is not consummated, Purchaser will immediately return to Seller all materials furnished to Purchaser pursuant to this Section 6.1. Seller agrees to provide its environmental consultants with written authorization to permit certification of all environmental reports to Purchaser. Seller agrees to authorize its environmental consultant, ATC Associates Inc. to issue a letter during the Feasibility Period stating that Purchaser may use and rely upon the environmental reports that it has prepared for the Real Property.

6.2 Physical Inspection. In addition to the items set forth in Section 6.1, Seller will make the Property available for inspection by Purchaser and Purchaser may, at Purchaser's risk, conduct an engineering and/or market and economic feasibility study of the Property and undertake such physical inspection of the Property as Purchaser deems appropriate as soon as possible after the Effective Date of this Agreement. Such inspection shall be conducted at reasonable times upon reasonable oral or written notice to Seller's property manager. Seller shall have the right to designate a representative to accompany Purchaser's employees, agents, and independent contractors on any such inspections. Prior to its entry on the Property, Purchaser shall provide Seller with evidence of liability and property damage insurance coverage covering its activities under this Article, in an amount not less than \$1,000,000, which insurance shall name Seller as an additional insured.

Purchaser hereby agrees to pay, protect, defend, indemnify and save Seller harmless from, against, and with respect to, and to be responsible for any and all liabilities, obligations, claims (including mechanic's lien claims), damages, penalties, causes of action, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon, incurred by or asserted against Seller in connection with or arising out of the entry upon the Real Property by Purchaser's employees, agents or independent contractors and the actions of such persons on the Real Property. In the event any part of the Property is damaged or excavated by Purchaser, its employees, agents or independent contractors, Purchaser agrees in the event its purchase hereunder is not consummated, to make such additional payments to Seller as may be reasonably required to return the Property to its condition immediately prior to such damage or excavation or, at Seller's option, to cause such work to be done. Notwithstanding any provision to the contrary herein, Purchaser's obligations under this subparagraph shall survive the expiration or termination of this Agreement, and shall survive Closing.

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6.3. Feasibility Period. Purchaser shall have a period ending September 10, 2002 (the "Feasibility Period") to conduct its inspection of the documents delivered in accordance with Section 6.1 and to conduct studies and a physical inspection of the Property as set forth in Section 6.2. On or before 5:00 p.m. Eastern Time of the last day of the Feasibility Period, Purchaser may, in its sole discretion without obligation to specify which aspect of its inspection was unsatisfactory, terminate this Agreement by providing a written notice to Seller so providing. Upon receipt of such notice, this Agreement shall terminate and Seller shall instruct the Escrow Holder to return the Deposit to Purchaser, less one-half of any escrow fee charged by the Escrow Holder, and neither party shall have any obligation to the other, except for the Surviving Covenants. If Purchaser fails to provide such notice of termination on or before 5:00 p.m. Eastern Time of the last day of the Feasibility Period, Purchaser shall be deemed to have approved such inspections and this Agreement shall remain in full force and effect.

6.4. Survey Contingency. Seller shall submit to Purchaser a copy of Seller's most recent ALTA survey of the Real Property (the "Survey").

Purchaser shall have until 5:00 p.m. Eastern Time on the last day of the Feasibility Period to object in writing to the Survey, including, without limitation, any objection to the boundaries set forth in the Survey and to the legal description. This contingency shall be deemed satisfied or waived if Seller has not received written notice of Purchaser's objection on or before such time and date. Any such written notice shall state all of Purchaser's objections with specificity. Upon receipt of such notice, Seller may, but shall not be obligated to, cure such objections. If Seller cures such objections within fifteen (15) days, or, if such objections are such that they cannot be cured within fifteen (15) days and Seller has commenced curing such objections and thereafter diligently proceeds to perfect such cure (but in no event beyond forty-five (45) days unless agreed to by Purchaser), then this Agreement shall continue in force and effect, and the Closing Date shall be adjusted accordingly. If Seller is unable to, or chooses not to, cure such objections within the time permitted, this Agreement shall terminate, Seller shall instruct the Escrow Holder to return the Deposit to Purchaser, less one-half of any escrow fee charged by the Escrow Holder, and neither party shall have any further obligations hereunder except for the Surviving Covenants. Notwithstanding the foregoing, however, Purchaser may waive such objections that Seller is unable to or chooses not to cure, and upon receipt by Seller of such waiver in full from Purchaser within ten (10) days of notice from Seller that it is unable or chooses not to cure such objections, this Agreement shall remain in full force and effect with no reduction in the Purchase Price.

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If requested by Seller, Purchaser will confirm in writing whether this survey contingency has been satisfied and, if so, the date on which it was satisfied.

6.5. Title Contingency. Promptly after execution of this Agreement, Purchaser shall obtain a commitment for an Owner's Title Insurance Policy (the "Title Commitment"), at Purchaser's sole expense, issued by the Title Company, together with legible copies of all items and documents referred to in the Title Commitment. The Title Commitment will commit the Title Company to issue the

Owner's Title Policy to Purchaser at the Closing in the amount of the Purchase Price. Upon receipt of the Title Commitment and accompanying documents by Purchaser, Purchaser shall have until the last day of the Feasibility Period to state any objections in writing. This contingency shall be deemed satisfied or waived if such written notice of objection is not received by Seller before 5:00 p.m. Eastern Time on such date. Such written notice of objection shall state all of Purchaser's objections with specificity. Upon receipt of such notice, Seller may, but shall not be obligated to, cure such objections; provided, however that Seller agrees to remove any mortgages and remove or bond over any liens that are due and payable prior to the Closing Date. If Seller cures such objections within fifteen (15) days, or, if such objections are such that they cannot be cured within fifteen (15) days and Seller has commenced curing such objections and thereafter diligently proceeds to perfect such cure, then this Agreement shall continue in full force and effect and the Closing Date shall be adjusted accordingly. If Seller is unable or chooses not to cure such objections within the time permitted, then this Agreement shall terminate, and Seller shall instruct the Escrow Holder to return the Deposit to Purchaser, less one-half of any escrow fee charged by the Escrow Holder, and neither party shall have any further obligations hereunder except for the Surviving Covenants. Notwithstanding the foregoing, however, Purchaser may waive such objections that Seller is unable or chooses not to cure within ten (10) days after receipt of a notice that Seller is unable or chooses not to cure such objections, and upon receipt by Seller of such waiver in full from Purchaser, this Agreement shall remain in full force and effect with no reduction in the Purchase Price.

If requested by Seller, Purchaser will confirm in writing whether this title contingency has been satisfied and, if so, the date on which it was satisfied.

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Article VII.

Loss due to Casualty or Condemnation -----

7.1 Loss due to Condemnation. In the event of a condemnation of all or a Substantial Portion (as hereinafter defined) of the Real Property which condemnation shall or would render a Substantial Portion of the Real Property untenable, or if any portion of the building or parking area is taken, either party may, upon written notice to the other party given within ten (10) days of receipt of notice of such event, cancel this Agreement, in which event Seller shall instruct the Escrow Holder to return the Deposit to Purchaser, less one-half of any escrow fee charged by the Escrow Holder, this Agreement shall terminate and neither party shall have any rights or obligations hereunder except for the Surviving Covenants. In the event that neither party elects to terminate, or if the condemnation affects less than a Substantial Portion or does not affect the building or parking area, then this Agreement shall remain in full force and effect, and Seller shall be entitled to all monies received or collected by reason of such condemnation prior to closing. In such event, the transaction hereby contemplated shall close in accordance with the terms and conditions of this Agreement except that there will be an abatement of the Purchase Price equal to the amount of the net proceeds, less actual third party out of pocket costs and reasonable attorney's fees, that are received by Seller prior to Closing by reason of such condemnation. If the condemnation proceeding shall not have been concluded prior to the Closing, then there shall be no abatement of the Purchase Price and Seller shall assign any interest it has in the pending award to Purchaser. For purposes of this Section 7.1, a Substantial Portion shall mean a condemnation of in excess of \$250,000 in value of the Real Property or a condemnation that gives Boscov's the right to terminate its lease.

7.2 Loss due to Casualty. In the event of Substantial Loss or Damage (as hereinafter defined) to the Real Property by fire or other casualty (not resulting from acts of Purchaser), Purchaser may, upon written notice to Seller given within ten (10) days of receipt of notice of such event, cancel this Agreement in which event Seller shall instruct the Escrow Holder to return the Deposit to Purchaser, less one-half of any escrow fee charged by the Escrow Holder, and this Agreement shall terminate and neither party shall have any rights or obligations hereunder except for the Surviving Covenants. In the event that neither party elects to terminate, or if the casualty results in less than Substantial Loss or Damage, then: (i) this Agreement shall remain in full force and effect and Seller shall be entitled to all insurance proceeds received or collected by reason of such damage or loss, whereupon the transaction hereby contemplated shall close in accordance with the terms and conditions of this Agreement except that there will be abatement of the Purchase Price equal to the amount of the net proceeds, plus Seller's deductible, costs and attorney's fees that are received by Seller as a result of such damage or loss, provided that such abatement will be reduced by the amount expended by Seller in accordance

with Article VIII hereof for restoration or preservation of the Property following the casualty, or (ii) Seller may, in its discretion, elect to repair or replace the damaged Property, the date of Closing shall be extended accordingly for up to, but not to exceed, an additional three (3) months, and there shall be no abatement of the Purchase Price in such case. For purposes of this Section 7.2, "Substantial Loss or Damage" shall mean loss or damage, the cost for repair of which exceeds \$1,000,000 or which permits Boscov's to terminate its lease.

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Article VIII.

Maintenance of the Property; Leasing Before Closing

Between the Effective Date and the Closing, Seller shall keep the Property insurance in full force and effect, maintain the Property in good repair, reasonable wear and tear excepted, shall perform all work required to be done under the terms of any lease or agreement relating to the Property, and shall timely make all repairs, maintenance and replacements of equipment or improvements, the same as though Seller were retaining the Property; except that in the event of a fire or other casualty, damage or loss, Seller shall have no duty to repair said damage, other than as stated in Section 7.2 above. However, Seller may repair any such damage with Purchaser's prior, written approval and may, without Purchaser's approval, repair damage where such repair is necessary in Seller's reasonable opinion to preserve and protect the health and safety of tenants of the Property or to preserve the Property from imminent risk of further damage or if required to do so by Seller's insurance carrier. Any such emergency repairs shall be reported to Purchaser within forty-eight (48) hours after their commencement. During the period after the Effective Date and prior to the Closing, Seller shall not amend any existing lease in any material respect and shall not lease any portion of the Real Property unless such lease has been approved in writing by Purchaser. Seller's request for approval shall include a copy of any leasing commission agreement, a quote for the cost of any tenant improvements and a copy of the proposed lease. Any such proposed lease shall be on Seller's standard form of lease and, (i) during the Feasibility Period shall be reviewed and approved or rejected within two (2) business days after receipt thereof by Purchaser; and (ii) after the Feasibility Period and prior to Closing shall be reviewed and approved or rejected within five (5) business days after receipt thereof by Purchaser, approval during both time periods not to be unreasonably withheld. Failure to approve or reject such proposed lease within such applicable time periods shall be deemed approval. If the proposed lease is rejected, then Seller shall not enter into such lease. With respect to any leases entered into between the Effective Date hereof and the Closing Date, Purchaser shall pay the unamortized cost (based on the number of months in the entire term of the lease for which rent is paid and the number of such months that shall have occurred as of the date of the Closing) of all tenant improvements and commercially reasonable third-party leasing commissions with respect thereto. Between the Effective Date and the Closing Date, Seller shall not enter into any new or modify any current service or maintenance contracts for the Property the term(s) of which extend beyond the Closing Date.

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Article IX.

Broker

Purchaser and Seller represent to each other that they have dealt with no agent or broker who in any way has participated as a procuring cause of the sale of the Property, except Metro Commercial Real Estate, Inc. ("Broker"). Seller shall pay any commission due Broker at the Closing, and Broker shall be responsible for paying any applicable co-broker under terms of any separate agreement between the parties. Purchaser and Seller each agree to defend, indemnify and hold harmless the other for any and all judgments, costs of suit, attorneys' fees, and other reasonable expenses which the other may incur by reason of any action or claim against the other by any broker, agent, or finder with whom the indemnifying party has dealt arising out of this Agreement or any subsequent sale of the Property to Purchaser, except for the above-described commissions, which shall be paid by Seller. The provisions of this Article IX shall survive the Closing and any termination of this Agreement.

Article X.

Representations and Warranties

10.1 Limitations on Representations and Warranties. Purchaser hereby agrees and acknowledges that, except as set forth in Section 10.2 below, neither Seller nor any agent, attorney, employee or representative of Seller has made any representation whatsoever regarding the subject matter of this sale, or any part thereof, including (without limiting the generality of the foregoing) representations as to the physical nature or condition of the Property or the capabilities thereof, and that Purchaser, in executing, delivering and/or performing this Agreement, does not rely upon any statement and/or information to whomever made or given, directly or indirectly, orally or in writing, by any individual, firm or corporation. Purchaser agrees to take the Real Property and the Personal Property "as is," as of the date hereof, reasonable wear and tear, excepted. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE PHYSICAL CONDITION OF THE PROPERTY OR THE SUITABILITY THEREOF FOR ANY PURPOSE FOR WHICH PURCHASER MAY DESIRE TO USE IT, EXCEPT AS SET FORTH IN SECTION 10.2 HEREOF. SELLER HEREBY EXPRESSLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE AND, EXCEPT AS SET FORTH IN SECTION 10.2 HEREOF, ANY OTHER WARRANTIES OR REPRESENTATIONS AS TO THE PHYSICAL CONDITION OF THE PROPERTY. PURCHASER, BY ACCEPTANCE OF THE DEED, AGREES THAT IT HAS INSPECTED THE PROPERTY AND ACCEPTS SAME "AS IS" AND "WITH ALL FAULTS".

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Purchaser understands that any financial statements and data, including, without limitation, gross rental income, operating expenses and cash flow statements, to be made available by Seller to Purchaser, will be unaudited financial statements and data not prepared or reviewed by independent public accountants, and, With the exception of the Rent Roll, that Seller makes no representation as to the accuracy or completeness thereof.

10.2 Representations and Warranties of Seller. Seller makes the following representations and warranties and agrees that Purchaser's obligations under this Agreement are conditioned upon the truth and accuracy of such representations and warranties, both as of this date and as of the date of the Closing:

(a) Seller has the corporate power and authority to enter into this Agreement and convey the Property to Purchaser.

(b) Except as set forth below in this subparagraph with respect to Boscov's, and except for those tenants and licensees in possession of the Real Property under written leases or license agreements for space in the Real Property, as shown in the Rent Roll, to the best of Seller's knowledge there are no parties in possession of, or claiming any possession to, any portion of the Real Property as lessees, tenants at sufferance, licensees, trespassers or otherwise. Boscov's is currently utilizing sections of the basement in the Improvements for storage. There is no written lease or license agreement for such space and Seller is currently negotiating with Boscov's to enter into a license agreement therefor or to cause Boscov's to vacate the basement storage space.

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(c) The certified Rent Roll attached hereto is and the updated Rent Roll for the Real Property, which shall be delivered at the Closing, will be true, correct and complete as of the date set forth thereon; no tenant will be entitled to any rebates, rent concessions, or free rent (other than as reflected in said Rent Roll) and no rents due under any of the tenant or other leases will have been assigned, hypothecated, or encumbered, to any party except pursuant to documents to be released at Closing.

(d) There are no attachments or executions affecting the Property, general assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy, pending or, to the best of Seller's knowledge, threatened against Seller.

(e) To the best of Seller's knowledge, during the period of Seller's ownership of the Property, Seller has not itself, and to the best of Seller's knowledge, except as set forth in the Phase I Environmental Site Assessment issued by ATC dated October 31, 2000, for the Camp Hill Mall, no prior owner, or

current or prior tenant, or other occupant of all or any part of the Property at any time has, used Hazardous Materials (hereinafter defined) on, from, or affecting the Property in any manner that violates any Environmental Laws, and to the best of Seller's knowledge no Hazardous Materials have been disposed of or exist on the Property. "Hazardous Materials" shall mean those substances which are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress or the EPA or which are defined as pollutant, infectious, flammable, radioactive, or hazardous or toxic to health or the environment by any federal, state or local environmental laws, regulations, ordinances or code, including asbestos, radon, urea formaldehyde, petroleum, petroleum by products and polychlorinated biphenyls. For purposes of this subsection (f) the phrase "Environmental Laws" shall mean any currently in effect applicable federal, Commonwealth of Pennsylvania or local laws, regulations, ordinances or codes to the extent the same regulate or impose liability or standards of conduct concerning the actual or alleged use, storage, treatment, transportation, manufacture, processing, handling, production or disposal of any Hazardous Materials.

(f) There are no employees of Seller or any independent contractor or agent of Seller who will remain employed by Seller at the Property after the Closing.

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(g) To the best of Seller's knowledge, no person, firm, corporation or entity other than Purchaser has any right or option to acquire ownership of the Premises or any portion thereof. No person, firm, corporation or entity other than Purchaser will obtain such right or option as a result of the execution of this Agreement.

(h) To Seller's knowledge, no special assessment with respect to the Property is being contemplated, nor are there any tax reduction proceedings currently pending with respect to the Property, except as otherwise disclosed to Purchaser.

10.3 Representations and Warranties of Purchaser. Purchaser makes the following representations and warranties and agrees that Seller's obligations under this Agreement are conditioned upon the truth and accuracy of such representations and warranties, both as of this date and as of the date of the Closing:

(a) Purchaser is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, has duly authorized the execution and performance of this Agreement, and such execution and performance will not violate any material terms of its limited partnership agreement. At Closing, Purchaser's assignee will be authorized to do business in the Commonwealth of Pennsylvania,

(b) Purchaser is acting as principal in this transaction with authority to close the transaction.

(c) No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy laws is pending against or contemplated by Purchaser.

(d) Subject to Seller's representations and warranties in this Agreement, Purchaser acknowledges that it will have had the opportunity to inspect the Property fully and completely at its expense in order to ascertain to its satisfaction the extent to which the Property complies with applicable zoning, building, environmental, health and safety and all other laws, codes and regulations.

(e) Unless otherwise disclosed to Seller in writing, neither Purchaser nor any officer, shareholder or affiliate of or principal in Purchaser is other than a citizen of, or partnership, corporation or other form of legal person domesticated in, the United States of America.

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(f) Purchaser will not use the assets of an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA") and covered under Title I, Part 4 of ERISA or Section 4975 of the Internal Revenue Code of 1988, as amended, in the performance of its obligations

hereunder.

10.4 Seller's Knowledge. Whenever the term "to the best of Seller's knowledge" is used in this Agreement or in any representations and warranties given to Purchaser at Closing, such knowledge shall be the actual knowledge of Stephen J. Olstein, the asset manager assigned to the Real Property by CIGNA Investments, Inc., authorized agent for Seller, after review of his files created from and after assuming his asset management duties for the Real Property and after inquiry of Seller's property manager and of Seller'Don Morin. Seller shall have no duty to conduct any further inquiry in making any such representations and warranties, and no knowledge of any other person shall be imputed to Mr. Olstein. Purchaser acknowledges that Seller took title to the Property via a deed-in-lieu of foreclosure on November 10, 2000, and that Seller has limited records and knowledge pertaining to prior periods of time.

10.5 Survival. All representations and warranties contained in Sections 10.2 and 10.3 will survive the Closing (but only as to the status of facts as they exist as of the Closing, it being understood that Seller and Purchaser make no representations or warranties which would apply to changes or other matters occurring after the Closing), but shall expire on the date one year from the date of Closing, and no action on such representations and warranties may be commenced after such expiration.

Article XI.

Liability Surviving Closing

Neither Seller nor any independent property manager which Seller has hired to manage the Property shall, by entering into this Agreement, become liable for any costs or expenses incurred by Purchaser subsequent to the date of Closing, including: any labor performed on, or materials furnished to, the Real Property, or for any leasing commissions or other fees or commissions due for renewals or extensions of existing leases or otherwise, or for compliance with any laws, requirements or regulations of, or taxes, assessments or other charges

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thereafter due to any governmental authority, or for any other charges or expenses whatsoever pertaining to the Property or to the ownership, title, possession, use, or occupancy of the Property, whether or not such costs and expenses were incurred pursuant to obligations of Purchaser under this Agreement (including, without limitation, any costs of compliance with presently-existing and future environmental laws, any environmental remediation costs, and any costs of, or awards of damages for, damage to the environment, to natural resources, or to any third party, it being the intent of this Agreement, as between Purchaser and Seller, to shift all such liability to Purchaser, except for any liability of Seller under the provisions of Article X hereof), and Purchaser hereby agrees to defend, indemnify and hold Seller and any independent property manager hired by Seller, harmless from any such liability for such costs and expenses. Notwithstanding the foregoing, Purchaser shall have no liability (i) to Seller for any third-party claims that arose and are attributable time periods prior to the time of Purchaser's ownership; or (ii) to Seller's property manager with respect to Seller's existing property management agreement, which shall be cancelled effective as of the Closing Date. The provisions of this Article XI shall survive the Closing.

Article XII.

Assignment

This Agreement may not be assigned or transferred by Purchaser to any party other than an entity in which Purchaser has a direct or indirect controlling interest without the prior written consent of Seller. Seller's consent to an assignment of this Agreement shall not be deemed to be a consent to any subsequent transfer or assignment. No assignment shall relieve Purchaser of any of its obligations under this Agreement.

Article XIII.

Notices

All notices hereunder or required by law shall be sent via facsimile transmission to the parties numbers set forth below, via United States Mail, postage prepaid, certified mail, return receipt requested, or via any nationally recognized commercial overnight carrier with provisions for receipt, addressed to the parties hereto at their respective addresses set forth below or as they

have theretofore specified by written notice delivered in accordance herewith:

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PURCHASER: Cedar Income Fund Partnership, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Ave.
Port Washington, NY 11050
Attn: Leo S. Ullman
Phone: 516 944-4525
Fax: 516 944-6497

with a copy to: Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue
Port Washington, NY 11050
Attn: Stuart H. Widowski, Esq.
Phone: 516-944-4529
Fax: 516-767-6497

SELLER: Connecticut General Life Insurance Company
c/o CIGNA Retirement and Investment Services.
Real Estate Asset Management, H-11C
280 Trumbull Street
Hartford, CT 06103
Attn: Stephen J. Olstein
Phone: 860 534-5145
Fax: 860 534-4274

with a copy to: CIGNA Corporation
c/o CIGNA Retirement and Investment Services.
Real Estate Law, H-11F
280 Trumbull Street
Hartford, CT 06103
Attn: Lisa C. Riccio, Esq.
Phone: 860 534-7879
Fax: 860 534-8446

If to Escrow Holder: New York Land Services, Inc.
630 Third Avenue, 5th Floor
New York, NY 10017
Attn: Anthony Della Salla
Phone: 212-490-2277
Fax: 212-490-8012

The effective date of any notice given as aforesaid shall be the date on the confirmation of transmission of any facsimile delivery, one (1) Business Day after delivery to such overnight delivery service, or three (3) Business Days after being deposited in the United States mail, in accordance with the provisions as set forth herein, as applicable.

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Article XIV.

Expenses

Seller shall pay its own attorney's fees, its own administration fees and expenses, one-half of the realty transfer fee, any additional sales or conveyance taxes that are levied in connection with the sale but not those imposed with respect to Purchaser's mortgage financing or Section 1031 exchange, if any, and one-half of any escrow fee charged by the Escrow Holder. All other costs and expenses related to the transaction or this Agreement including but not limited to any update of the Survey, the Owner's Title Policy, one-half of the realty transfer fee, all of Purchaser's attorneys' fees and expenses, recording charges, any mortgage tax, any additional sales or conveyance taxes levied in connection with Purchaser's Section 1031 exchange, if any, one half of any escrow fee charged by the Escrow Holder, and any Title Policy premium

required by any mortgagee of Purchaser (if any) shall be paid by Purchaser, notwithstanding any local practice to the contrary.

Article XV.

Assessments

15.1 Seller shall be responsible to pay for all assessments for any improvements (including, but not limited to, roads, curbs, sewer lines and the like) which serve the Property, provided such improvements are completed and assessments levied against the Property, prior to the Closing Date; and, if Closing is consummated, Purchaser shall be responsible to pay for all improvements completed and/or assessments levied against the Property after the Closing Date.

15.2 If at Closing the Property, or any portion or portions thereof, shall be affected by any assessments that are required to be paid by Seller pursuant to the provisions of this Article XV and that are payable in annual or other installments then for the purposes of this Agreement, Seller shall be responsible to pay only the installment or installments due prior to the Closing Date and, if Closing is consummated, Purchaser shall be responsible to pay all installments due after the Closing.

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Article XVI.

Zoning; Violation Notices

16.1 Pursuant to the requirements of Pennsylvania law, Seller represents that:

(a) The present use of the Property is in compliance with zoning; and

(b) Seller has received no notices of uncorrected violations of the housing, building, safety or fire ordinances except as set forth on Exhibit K attached hereto (the "Existing Violations").

16.2 If required by local law, Seller shall furnish Purchaser a Certification Statement respecting the Property issued by the applicable governmental office, as required by local law] indicating compliance with the provisions of this Article XVI dated no earlier than 30 days prior to Closing.

16.3 Purchaser understands that Seller shall not cure, prior to Closing, any Existing Violations. If Seller or Purchaser receives notice of any other violations after the end of the Feasibility Period and prior to Closing, from any governmental or quasi-governmental authority, the receiving party shall promptly notify the other party of such notice of violation. In such event, Purchaser may elect either (a) to proceed to Closing by delivering notice of such fact to Seller within ten (10) days after receipt of said notice of violation or (b) to terminate this Agreement by delivering notice of termination to Seller within ten (10) days after receipt of said notice of violation. If Purchaser elects to proceed to Closing, Purchaser shall be responsible for the cure of all violations against the Property, which Seller has no obligation to cure as set forth above. If Purchaser sends Seller a notice of termination, Seller may elect to cure such violation by notifying Purchaser in writing within two (2) business days after receipt of Purchaser's notice of termination. In such event this Agreement will continue in full force and effect. If Purchaser does not deliver timely notice of termination to Seller, Purchaser shall be deemed to have accepted such violation, and this Agreement shall remain in full force and effect. If Seller does not deliver timely notice to Purchaser of its decision to cure the violation, Seller shall be deemed to have accepted Purchaser's notice of termination. In such event, Seller shall direct the Title Company to return the Deposit to Purchaser and neither party shall have any further obligation to the other except for the Surviving Covenants.

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Article XVII.

Miscellaneous

17.1 Successors and Assigns. All the terms and conditions of this Agreement are hereby made binding upon the executors, heirs, administrators, successors and permitted assigns of both parties hereto.

17.2 Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

17.3 Captions. The captions in this Agreement are inserted only for the purpose of convenient reference and in no way define, limit or prescribe the scope or intent of this Agreement or any part hereof.

17.4 Construction. No provision of this Agreement shall be construed by any Court or other judicial authority against any party hereto by reason of such party's being deemed to have drafted or structured such provisions.

17.5 Entire Agreement. This Agreement constitutes the entire contract between the parties hereto and there are no other oral or written promises, conditions, representations, understandings or terms of any kind as conditions or inducements to the execution hereof and none have been relied upon by either party.

17.6 Recording. The parties agree that this Agreement shall not be recorded. If Purchaser causes this Agreement or any notice or memorandum thereof to be recorded, this Agreement shall be null and void at the option of the Seller.

17.7 No Continuance. Purchaser acknowledges that there shall be no assignment, transfer or continuance of any of Seller's insurance coverage or of the property management contract.

17.8 Time of Essence. Time is of the essence in this transaction.

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17.9 Original Document. This Agreement may be executed by both parties in counterparts in which event each shall be deemed an original.

17.10 Governing Law. This Agreement shall be construed, and the rights and obligations of Seller and Purchaser hereunder, shall be determined in accordance with the laws of the Commonwealth of Pennsylvania.

17.11 Intentionally omitted.

17.12 Confidentiality. Purchaser and Seller agree that all documents and information concerning the Property delivered to Purchaser, the subject matter of this Agreement, and all negotiations will remain confidential. Purchaser and Seller will disclose such information only to those parties required to know it, including, without limitation, employees of either of the parties, consultants and attorneys engaged by either of the parties, and prospective or existing investors and lenders. The provisions of this Section 17.12 survive any expiration or termination of this Agreement and shall terminate upon Closing.

17.13 Surviving Covenants. Notwithstanding any provisions hereof to the contrary, the Purchaser's obligations under the last paragraph of Section 6.1 and Section 17.12 shall survive any termination of this Agreement, the last paragraph of Section 6.2 and Article IX and Article XIV, and the Escrow Instructions shall survive the Closing and any termination of this Agreement, the provisions of Articles V, XI and XVII (other than Section 17.12) shall survive the Closing, and the provisions of Article X shall survive the Closing for one (1) year (collectively, the "Surviving Covenants").

17.14 Approval. Seller's obligation to perform its duties hereunder is contingent upon approval of the transaction by all required boards and committees in accordance with the standard policies and procedures of CIGNA Investments, Inc. Seller will seek such approvals commencing on the Effective Date hereof and will notify Purchaser promptly of the decision of such boards and committees. If the transaction is not approved, then Seller may terminate this Agreement by giving notice thereof to Purchaser, whereupon the Deposit shall be returned to Purchaser plus Purchaser's actual third-party out of pocket expenses up to a maximum of Thirty Thousand Dollars (\$30,000) and neither party shall have any further rights or duties hereunder except for the Surviving

17.15 8-K and Audit Requirements. For the period of time commencing on the Closing Date and continuing through the first anniversary of the Closing Date, Seller shall, from time to time, upon reasonable advance notice from Purchaser, provide Purchaser and its representatives, agents and employees with access to all financial and other information pertaining to the period of Seller's ownership and operation of the Premises, which information is relevant and reasonably necessary, in the opinion of Cedar Income Fund, Ltd.'s ("Cedar") outside, third party accountants (the "Accountants"), to enable Cedar and its Accountants to prepare financial statements in compliance with any or all of (a) Rule 3-14 of Regulation S-X of the Securities and Exchange Commission (the "Commission"); (b) any other rule issued by the Commission and applicable to Cedar; and (c) any registration statement, report or disclosure statement filed with the Commission by, or on behalf of, Cedar; provided, however, that in any such event(s), Purchaser shall reimburse Seller for those third party, out-of-pocket costs and expenses that Seller incurs in order to comply with the foregoing requirement, including without limitation, a representation letter in such form as is reasonably required by Purchaser, signed by the individual(s) responsible for Seller's financial reporting, as prescribed by generally accepted auditing standards promulgated by the Auditing Standards Division of the American Institute of Certified Public Accountants, which representation letter may be required to assist the Accountants in rendering an opinion on such financial statements.

17.16 Business Day. As used in this Agreement, the term "Business Day" or "Business Days", shall mean any day other than a Saturday, a Sunday, or a day on which banks are closed in Pennsylvania.

[SIGNATURES ON FOLLOWING PAGES]

EXECUTED BY PURCHASER this _____ day of _____, 2002.

PURCHASER:

CEDAR INCOME FUND PARTNERSHIP, L.P.
 INC., a Delaware limited partnership
 By: Cedar Income Fund, Ltd., a Maryland
 corporation, general partner

By: _____
 Name:
 Title:

[SIGNATURES CONTINUED ON NEXT PAGE]

EXECUTED BY SELLER this ____ day of _____, 2002.

SELLER:

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY, a Connecticut corporation

By: CIGNA Investments, Inc., a Delaware
corporation, its authorized
signatory

By: _____
Name:
Title:

Escrow Holder acknowledges receipt of three (3) originals of this Agreement executed by Seller and Purchaser and receipt of the Deposit this ____ day of _____, 2002 (the "Effective Date"), and agrees that it shall hold the Deposit in accordance with the terms of this Agreement and the Escrow Instructions.

ESCROW HOLDER:

NEW YORK LAND SERVICES, INC.

By: _____
Name:
Title:

AGREEMENT OF PURCHASE AND SALE
BETWEEN
CONNECTICUT GENERAL LIFE INSURANCE COMPANY
AND
CEDAR INCOME FUND PARTNERSHIP, L.P.

Camp Hill Mall
Camp Hill Pennsylvania

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EXHIBIT A

TO

AGREEMENT OF PURCHASE AND SALE

Description of Land

ALL THAT CERTAIN tract of ground situate in the Borough of Camp Hill and the Township of East Pennsboro, County of Cumberland and Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point, said point being the right-of-way intersection of the southern right-of-way line of Trindle Road and the western right-of-way line of South 22nd Street; thence along the western right-of-way line of South 32nd Street, south 40 degree 33 minutes 00 seconds east, a distance of 134.51 feet to a point; thence along the same, south 10 degrees 26 minutes 00 seconds east, a distance of 461.34 feet to a point; thence along the same, south 11 degrees 48 minutes 00 seconds east, a distance of 870.92 feet to a point; thence along land of Commonwealth of Pennsylvania, Ramp "H" Harrisburg Expressway the following seven (7) courses: (1) south 78 degrees 12 minutes 00 seconds west, a distance of 14.00 feet to a point; thence (2) on an arc of a curve curving to the right having a radius of 394.00 feet, an arc length of 368.30 feet to a point; thence (3) south 41 degrees 45 minutes 28 seconds west, a distance of 511.18 feet to a point; thence (4) south 56 degrees 19 minutes 00 seconds west, a distance of 198.36 feet to a point; thence (5) along an arc of a curve curving to the right having a radius of 364.00 feet, an arc length of 247.77 feet to a point; thence (6) south 05 degrees 19 minutes 00 seconds west, a distance of 16.00 feet to a point; thence (7) north 84 degrees 41 minutes 00 seconds west, a distance of 86.77 feet to a point; thence along land now or late of Pennsylvania Real Estate Investment Trust the following four (4) courses: (1) north 24 degrees 49 minutes 00 seconds west, a distance of 99.92 feet to a point; (2) thence north 65 degrees 11 minutes 00 seconds east, a distance of 15.00 feet to a point; (3) thence north 24 degrees 49 minutes 00 seconds west, a distance of 120.00 feet to a point; (4) thence north 64 degrees 26 minutes 00 seconds east, a distance of 303.09 feet to a point; thence along the same, land now or late of Hampden Industrial Development Authority and land now or late of Charles Adler & Sons, Inc., north 24 degrees 49 minutes 00 seconds west, a distance of 1,633.31 feet to a point on the southern right-of-way line of Trindle Road; thence along said right-of-way line, north 65 degrees 21 minutes 00 seconds east, a distance of 1,184.06 feet to a point the point of BEGINNING.

BETING THE SAME PREMISES which Camp Hill Shopping Center, Inc., a Pennsylvania Corporation, conveyed unto Mid-Island Properties, Inc., a Pennsylvania Corporation, by deed dated August 19, 1970 and recorded September 8, 1970, in the Recorder's Office in and for Cumberland County, PA in Record Book U, Volume 23, Page 145.

BEING THE SAME PREMISES which Theodore S. Halteman, Sylvan M. Cohen, Jack Farber, William R. Dimeling, Samuel J. Korman, Morris A. Kravitz, Marvin Orleans and Martin G. Bergman, as Trustees under Trust Indenture last amended and restated December 17, 1971 and recorded in Montgomery County, Pennsylvania in Deed Book 3757, Page 307, designated as Pennsylvania Real Estate Investment Trust, conveyed unto Mid-Island Properties, Inc., a Pennsylvania corporation, by deed dated September 23, 1984 and recorded October 2, 1984, in the Recorder's Office in and for Cumberland County, PA in Record Book X, Volume 30, Page 532.

EXHIBIT B

TO

AGREEMENT OF PURCHASE AND SALE

Rent Roll

[The Rent Roll follows this page.]

EXHIBIT C
TO
AGREEMENT OF PURCHASE AND SALE

Special Warranty Deed

[The form of Special Warranty Deed follows this page.]

SPECIAL WARRANTY DEED

PENNSYLVANIA STATUTORY FORM OF WARRANTY DEED
TO BE USED FOR THIS TRANSACTION

EXHIBIT D

TO

AGREEMENT OF PURCHASE AND SALE

Bill of Sale and General Assignment

[The form of Bill of Sale and General Assignment follows this page.]

BILL OF SALE AND GENERAL ASSIGNMENT

Concurrently with the execution and delivery hereof, CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation ("Assignor"), is conveying to _____, a _____ ("Assignee"), by Special Warranty Deed, that certain tract of land together with the improvements thereon (the "Property") lying and being situated in the Borough of Camp Hill, Township of East Pennsboro, County of Cumberland, and Commonwealth of Pennsylvania, and being more particularly described in Exhibit A, attached hereto and made a part hereof.

It is the desire of Assignor to hereby assign, transfer, set over and deliver to Assignee all furnishings, fixtures, fittings, appliances, apparatus, equipment, machinery and other items of personal property, if any, affixed or attached to, or placed or situated upon, the Property, except those not owned by Assignor and any and all other incidental rights and appurtenances relating thereto, all as more fully described below (such properties being collectively called the "Assigned Properties").

NOW, THEREFORE, in consideration of the receipt of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET OVER and DELIVER to Assignee, its successors and assigns, effective as of the date hereof, all of the Assigned Properties, without warranty (whether statutory, express or implied), including, without limitation the following:

1. All furnishings, fittings, equipment, appliances, apparatus, machinery fixtures and all other personal property of every kind and character (both tangible and intangible), if any, owned by Assignor and located in or on the Property;

2. All of Assignor's interest in and to all use, occupancy, building

and operating permits, licenses and approvals, if any, issued from time to time with respect to the Property or the Assigned Properties;

3. All of Assignor's interest in and to the maintenance, service and supply contracts, if any, set forth on Exhibit __ attached hereto, relating to the Property or the Assigned Properties (to the full extent same are assignable);

4. All of Assignor's interest in and to all existing and assignable guaranties and warranties (express or implied), if any, issued in connection with the construction, alteration and repair of the Property and/or the purchase, installation and the repair of the Assigned Properties;

5. All rights which Assignor may have to use any names commonly used in connection with the Property, if any; and

6. All rights, which Assignor may have, if any, in and to any tenant data, telephone numbers and listings, all master keys and keys to common areas, all good will, if any, and any and all other rights, privileges and appurtenances owned by Assignor and related to or used in connection with the existing business operation of the Property.

TO HAVE AND TO HOLD the Assigned Properties, subject as aforesaid, unto Assignee, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, title to the Assigned Properties unto Assignee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Assignor, but not otherwise, subject to all terms and provisions hereof and subject to the same Permitted Encumbrances listed and described on Exhibit B to that certain Special Warranty Deed of even date herewith from Assignor to Assignee.

ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE PHYSICAL CONDITION OF THE ASSIGNED PROPERTIES OR THE SUITABILITY THEREOF FOR ANY PURPOSE THAT ASSIGNEE MAY DESIRE TO USE IT. ASSIGNOR HEREBY EXPRESSLY DISCLAIMS ANY WARRANTIES AS TO MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER WARRANTIES OR REPRESENTATIONS AS TO THE PHYSICAL CONDITION OF THE ASSIGNED PROPERTIES. ASSIGNEE ACKNOWLEDGES AND AGREES THAT IT HAS INSPECTED THE ASSIGNED PROPERTIES AND ACCEPTS SAME IN THEIR PRESENT CONDITION, "AS IS" AND "WITH ALL FAULTS."

Assignor on behalf of itself and its successors and assigns does hereby agree to indemnify and hold Assignee, its successors and assigns, harmless from all obligations accruing under the maintenance, service and supply contracts assigned hereby and any liabilities arising out of events occurring thereunder, prior to the date hereof but not thereafter.

Assignee on behalf of itself, its successors and assigns, hereby agrees to assume and perform all obligations accruing under the maintenance, service and supply contracts from and after the date hereof, and Assignee on behalf of itself, its successors and assigns does hereby agree to indemnify and hold Assignor, its successors and assigns, harmless from all such obligations and any liabilities arising out of events occurring thereunder from and after the date hereof.

This document may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all parties hereto have executed at least one counterpart.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Bill of Sale and General Assignment to be executed as of the _____ day of _____, 2002.

ASSIGNOR:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation

By: CIGNA Investments, Inc., a Delaware corporation, its authorized signatory

By _____
Name:
Title:

ASSIGNEE:

_____, a

By: _____
Name:
Title:

EXHIBIT E

TO

AGREEMENT OF PURCHASE AND SALE

Assignment and Assumption of Leases and Security Deposits

[The form of Assignment and Assumption of Leases and Security Deposits follows this page.]

ASSIGNMENT AND ASSUMPTION OF
LEASES AND SECURITY DEPOSITS

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS (this "Assignment") is executed as of this ____ day of _____, 2002, by CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation ("Seller"), and _____, a _____ ("Purchaser").

Purchaser is this day purchasing from Seller and Seller is conveying to Purchaser the real property described on Exhibit A attached hereto and made a part hereof together with all improvements thereon and appurtenances thereto (herein called the "Property"). The Property is occupied by various tenants (herein called the "Tenants") claiming under written space leases listed and described on Exhibit B attached hereto and made a part hereof (the "Leases"). Seller has required certain of the Tenants to pay and has collected from such Tenants a security or other deposit, a list of which deposits and the Tenants from whom the deposits were collected being set forth on Exhibit B attached hereto and made a part hereof (herein the total of all such deposits are referred to as the "Security Deposits"). Seller desires to transfer and assign all of Seller's right, title and interest in and to: (i) the Leases and (ii) the Security Deposits.

NOW, THEREFORE in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby transfers and assigns to Purchaser, effective as of the date hereof, all right, title and interest of Seller in and to: (i) the Leases and (ii) the Security Deposits.

Seller on behalf of itself, its successors and assigns does hereby agree to indemnify and hold Purchaser, its successors and assigns, harmless from and against all liabilities arising out of events occurring under the Leases prior to the date hereof but not thereafter, provided, however, that the foregoing indemnity shall not imply any warranty or indemnity with respect to compliance with environmental and land use laws or the use, generation or disposal of hazardous materials, such matters being governed solely by the terms of that certain Agreement of Purchase and Sale between Seller and Purchaser having an Effective Date (as defined therein) of _____, 2002.

Purchaser on behalf of itself, its successors and assigns does hereby agree to indemnify and hold Seller, its successors and assigns harmless from all liabilities arising out of events occurring under the Leases from and after the date hereof; provided, however, Purchaser shall not be liable under this indemnity for or with respect to any inaccuracies set forth in Exhibit B.

Purchaser hereby assumes all obligations: (i) of the landlord under the Leases arising from and after the date hereof, and (ii) under the Leases to pay or account for the Security Deposits hereby transferred to Purchaser.

It is specifically agreed that Seller does not hereby transfer or assign to Purchaser and Purchaser does not hereby assume liability for, any deposits other than as set forth on Exhibit B.

This Assignment may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all parties hereto have executed at least one counterpart.

The terms and provisions of this Assignment shall be binding upon and inure to the benefit of the respective parties hereto and their respective

successors and assigns.

[SIGNATURES FOLLOW ON NEXT PAGE]

EXECUTED as of the day and year first written above.

SELLER:

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY, a Connecticut corporation

By: CIGNA Investments, Inc., a
Delaware corporation, its
authorized agent

By: _____
Name:
Title:

PURCHASER:

a _____

By: _____
Name:
Title:

EXHIBIT F

TO

AGREEMENT OF PURCHASE AND SALE

[The form of Seller's Affidavit of Non-Foreign Status follows this page.]

FORM OF SELLER'S AFFIDAVIT OF NON-FOREIGN STATUS

STATE OF CONNECTICUT)
) _____, 2002
COUNTY OF HARTFORD)

I, _____, as _____ of CONNECTICUT GENERAL LIFE INSURANCE COMPANY ("Seller"), being duly authorized to make this affidavit on behalf of Seller and being duly sworn, do depose and say, that:

- 1. Seller's taxpayer identification number is _____.
2. Seller is not a "foreign person" within the meaning of Section 1445(f)(3), of the Internal Revenue Code of 1986 (as amended, the "Code"), and _____ ("Buyer") is not required, pursuant to Section 1445 of the Code, to withhold ten percent (10%) of the amount realized by Seller on the disposition of the property to Buyer.
3. I understand that I am making this Affidavit under penalty or perjury pursuant to the requirements of Section 1445 of the Code.

SELLER:
CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation,

By: CIGNA Investments, Inc., a Delaware corporation

By: _____ -
Name:
Title:

SWORN TO and subscribed before me this _____ day of _____, 2002.

Notary Public
My Commission Expires:

EXHIBIT G
TO
AGREEMENT OF PURCHASE AND SALE

Escrow Instructions

EXHIBIT H
TO
AGREEMENT OF PURCHASE AND SALE

Borough of Camp Hill Agreement for

Completion and Guarantee of Plan Improvements

[Agreement follows this page.]

EXHIBIT I

TO

AGREEMENT OF PURCHASE AND SALE

Required Estoppel Certificates

Boscov's

Barnes & Nobel

Zainy Brainy

Giant Foods

Pannera Bread

Commerce Bank

EXHIBIT J

TO

AGREEMENT OF PURCHASE AND SALE

Form of Lease Estoppel Certificate

[The form of Lease Estoppel Certificate follows this page.]

LEASE ESTOPPEL CERTIFICATE

Tenant:
- -----

Landlord: Connecticut General Life Insurance Company
- -----

Trade Name:
- -----

Floor Area: Square Feet
- -----

Lease Date:
- -----

Term: Years Months
- -----

"Rental Commencement Date":
- -----

"Termination Date":
- -----

"Current Monthly Minimum Rent Payment": \$
- -----

Common Area Maintenance \$
- -----

Taxes \$
- -----

Percentage Rent \$
- -----

Security Deposit: \$
- -----

The undersigned Tenant of the above-referenced lease (the "Lease"), a true correct and complete copy of which is attached hereto, hereby ratifies the above-referenced lease (the "Lease") and certifies to Cedar Income Fund Partnership, L.P., its successors and assigns ("Purchaser"), as Purchaser of the real property known as "Camp Hill Mall" (the "Premises"), as follows:

1. That the term of the Lease commenced on the Rental Commencement Date, and the Tenant is in full and complete possession of the premises demised under the Lease and has commenced full occupancy and use of the Premises.
2. That rent commenced to be due on the Rent Commencement Date and that the Tenant is paying monthly installments of rent of Current Total Monthly Payment.
3. That no advance rental or other payment has been made in connection with the Lease, except rental for the current month, there is no "free rent" or other concession under the remaining term of the lease and the rent has been paid to and including _____, 2002.

4. That the Lease is a valid lease and in full force and effect and represents the entire agreement between the parties; that there is no existing default on the part of the Landlord or the Tenant in any of the terms and conditions thereof and no event has occurred which, with the passing of time or giving of notice or both, would constitute an event of default; and that said Lease has: (initial one)

() not been amended, modified, supplemented, extended, renewed or assigned.

() been amended, modified, supplemented, extended, renewed or assigned as follows by the following described agreements:

5. That the Lease provides for a primary term set forth above; the term of the Lease expires on the Expiration Date; and that: (initial one)

() neither the Lease nor any of the documents listed above in Paragraph 4, (if any), contain an option for any additional term or terms.

() the Lease and/or the documents listed above in Paragraph 4 contain an option for _____ additional term(s) of _____ year(s) and _____ months(s) (each) at a rent to be determined as follows:

6. That this certification is made knowing that Purchaser is relying upon the representations herein made.

Tenant:

By: _____
Typed Name:
Title:

Date: _____, 2002

EXHIBIT K

TO

AGREEMENT OF PURCHASE AND SALE

NOTICES OF UNCORRECTED VIOLATIONS OF THE HOUSING, BUILDING, SAFETY OR
FIRE ORDINANCES

NONE

FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

This First Amendment to Agreement of Purchase and Sale ("First Amendment") is made this 12th day of September, 2002 by and between Connecticut General Life Insurance Company ("Seller") and Cedar Income Fund Partnership, L.P. ("Buyer").

WHEREAS, pursuant to that certain Agreement of Purchase and Sale between Seller and Buyer effective August 14, 2002 ("Agreement"), Seller agreed to sell and Buyer agreed to purchase certain property situated in Camp Hill, Pennsylvania, in accordance with, and as more particularly described in, the Agreement.

WHEREAS, Seller and Buyer desire to amend the Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, Seller and Buyer, intending to be legally bound, hereby agree to modify the Agreement as follows:

1. Any capitalized term used herein shall have the meaning ascribed to it in the Agreement, unless expressly set forth to the contrary herein.
2. The Closing Date shall be October 31, 2002.
3. Buyer waives its right to terminate the Agreement under Section 6.3 (Feasibility Period).
4. This First Amendment shall be binding upon the parties hereto and their respective heirs, executors, successors, administrators and permitted assigns.
5. This First Amendment may be executed in counterparts, which together, shall constitute one single agreement of the parties, and may be delivered by facsimile transmission of an executed counterpart hereof.
6. In the event of any conflict between the terms of the Agreement and the terms of this First Amendment, the terms of this First Amendment shall control.
7. Except as otherwise specifically modified by this First Amendment, all of the other terms and conditions of the Agreement shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date first above written.

WITNESS:

SELLER:

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY, a Connecticut corporation
By: CIGNA Investments, Inc., a Delaware
corporation, its authorized signatory

By: _____
Name:
Title:

WITNESS:

PURCHASER:

CEDAR INCOME FUND PARTNERSHIP, L.P.,
a Delaware limited partnership
By: Cedar Income Fund, Ltd., a Maryland
corporation, general partner

By: _____
Name:
Title:

SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "Amendment") dated as of the 31st day of October, 2002, is made by and between CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation ("Seller"), and CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Purchaser").

WITNESSETH:

WHEREAS, Seller and Purchaser have entered into that certain Agreement of Purchase and Sale having an Effective Date of August 14, 2002, as amended by that certain First Amendment to Agreement of Purchase and Sale between the parties made September 12, 2002, pertaining to certain improved real property located in Camp Hill, Pennsylvania, as more particularly described therein (as amended, the "Agreement"), and

WHEREAS, Seller and Purchaser hereby desire to amend the Agreement as hereinafter set forth:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, Seller and Purchaser hereby agree as follows:

1. All capitalized terms used herein shall have the same meaning as defined in the Agreement, unless otherwise defined in this Amendment.
 2. Seller represents and warrants to Purchaser that the transaction contemplated by the Agreement has been approved by all required boards and committees in accordance with the standard policies and procedures of CIGNA Investments, Inc., and waives any termination rights under Section 17.14 of the Agreement.
 3. The Closing Date is hereby changed to on or before November 15, 2002, with the transfer of funds to Seller to be completed before 2:00 p.m. Eastern Time. In the event the transfer of funds to Seller is completed after 2:00 p.m. on the Closing Date, Purchaser shall pay to Seller such amount as is reasonably calculated by Seller to be the loss in the rate of return of investment of the sale proceeds for the date of closing, due to Seller's investment of such funds after 2:00 p.m.
 4. The Escrow Holder shall release the Deposit and cause the Deposit to be delivered to Seller immediately upon execution of this Amendment. This Amendment shall constitute each party's written notification to Escrow Holder to so release and deliver the Deposit. The Deposit shall be non-refundable to Purchaser except as a credit against the Purchase Price at Closing, or, in the event that Purchaser has complied with all of the covenants and conditions contained in the Agreement and is ready, willing and able to take title to the Property in accordance with the Agreement, and Seller fails to consummate the Agreement and convey title as set forth therein.
- Page 1
5. Purchaser hereby expressly acknowledges and agrees that Purchaser irrevocably and unconditionally waives and relinquishes any right it may have to terminate the Agreement pursuant to any provision of the Agreement, and Purchaser is unconditionally and irrevocably obligated to close the transaction in accordance with the terms and - provisions of the Agreement, except as provided in Paragraph 4 above. Further, Purchaser hereby expressly acknowledges and agrees that Purchaser shall have no right to a return of the Deposit except as set forth in paragraph 4 above.
 6. Except as specifically amended hereby, the Agreement shall remain unmodified, in full force and effect, and enforceable in accordance with its terms.
 7. This Amendment shall be governed by and construed under the laws of the Commonwealth of Pennsylvania, without regard for or application of any conflicts of laws provisions thereof.
 8. Except as may be specifically provided herein, this Amendment shall in no way be construed to relieve either party of any obligation or liability under the Agreement. In the event that a provision of the Agreement conflicts or is inconsistent with a provision of this Amendment, the provisions of this Amendment shall control.
 9. No further amendments or modifications to the Agreement will be valid unless in writing and executed by both Seller and Purchaser.
 10. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement. To facilitate execution of this Amendment, the parties may execute and exchange facsimile counterparts of the signature pages, and facsimile counterparts shall serve as originals.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

SELLER:
CONNECTICUT GENERAL LIFE INSURANCE COMPANY,
a Connecticut corporation
By: CIGNA Investments, Inc.

By:
Name: Stephen J. Olstein
Title: Managing Director

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Page 2

PURCHASER:
CEDAR INCOME FUND PARTNERSHIP, L.P., a
Delaware limited partnership
By: Cedar Income Fund, Ltd., General
Partner

By:
Name: Leo S. Ullman
Title: President

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THIRD AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS THIRD AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "Amendment") dated as of the 15th day of November, 2002, is made by and between CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation ("Seller"), and CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Purchaser").

W I T N E S S E T H:

WHEREAS, Seller and Purchaser have entered into that certain Agreement of Purchase and Sale having an Effective Date of August 14, 2002, as amended by that certain First Amendment to Agreement of Purchase and Sale between the parties made September 12, 2002 and that Second Amendment to Agreement of Purchase and Sale between the parties made October 31, 2002, pertaining to certain improved real property located in Camp Hill, Pennsylvania, as more particularly described therein (as amended, the "Agreement"); and

WHEREAS, Seller and Purchaser hereby desire to amend the Agreement as hereinafter set forth:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, Seller and Purchaser hereby agree as follows:

1. All capitalized terms used herein shall have the same meaning as defined in the Agreement, unless otherwise defined in this Amendment.
 2. The Closing Date is hereby changed to on or before November 20, 2002, with the transfer of funds to Seller to be completed before 2:00 p.m. Eastern Time. In the event the transfer of funds to Seller is completed after 2:00 p.m. on the Closing Date, Purchaser shall pay to Seller such amount as is reasonably calculated by Seller to be the loss in the rate of return of investment of the sale proceeds for the date of closing, due to Seller's investment of such funds after 2:00 p.m.
 3. Purchaser shall pay to Seller an extension fee equal to \$2,500.00 multiplied by the number of days from November 15, 2002 until the Closing (the "Extension Fee"). For example: If the closing occurs before 2:00 p.m. on November 20, 2002, the Extension Fee shall be \$12,500.00.
 4. In the event receivables due from the Four Seasons Diner tenant are not paid in full prior to the Closing, such receivables shall be for the benefit of Purchaser from and after the Closing, and Seller shall have no right or interest therein. This provision shall survive the Closing and the delivery and acceptance of the Deed.
 5. Except as specifically amended hereby, the Agreement shall remain unmodified, in full force and effect, and enforceable in accordance with its terms.
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6. This Amendment shall be governed by and construed under the laws of the Commonwealth of Pennsylvania, without regard for or application of any conflicts of laws provisions thereof.
 7. Except as may be specifically provided herein, this Amendment shall in no way be construed to relieve either party of any obligation or liability under the Agreement. In the event that a provision of the Agreement conflicts or is inconsistent with a provision of this Amendment, the provisions of this Amendment shall control.
 8. No further amendments or modifications to the Agreement will be valid unless in writing and executed by both Seller and Purchaser.
 9. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement. To facilitate execution of this Amendment, the parties may execute and exchange facsimile counterparts of the signature pages, and facsimile counterparts shall serve as originals.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

SELLER:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY,
a Connecticut corporation

By: CIGNA Investments, Inc.

By: _____
Name:
Title:

PURCHASER:

CEDAR INCOME FUND PARTNERSHIP, L.P.,
a Delaware limited partnership

By: _____
Name:
Title:

ASSIGNMENT AND ASSUMPTION OF CONTRACT OF SALE

[Camp Hill Mall]

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACT OF SALE (this "Assignment") made as of the ___ day of November, 2002, by and between Cedar Income Fund Partnership, L.P., a Delaware limited partnership having an address at 44 South Bayles Avenue, Port Washington, New York 11050 ("Assignor") and Cedar-Camp Hill, LLC, a Delaware limited liability company having an address at c/o Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Port Washington, New York 11050 ("Assignee").

WHEREAS, Assignor is the purchaser under that certain Agreement of Purchase and Sale, effective the 14th day of August, 2002, between Connecticut General Life Insurance Company, a Connecticut corporation, as seller, and Assignor, as purchaser, as amended (the "Contract").

WHEREAS, Assignor and Assignee desire that Assignor assign all of its right, title and interest under the Contract to Assignee and that Assignee assume all of the obligations of Assignor under the Contract.

KNOW THAT Assignor, in consideration of Assignee's assumption of all of the obligations of Assignor under the Contract, hereby assigns unto Assignee all of the right, title and interest of Assignor in, to and under the Contract, together with the Deposit (as defined in the Contract).

TO HAVE AND TO HOLD the same unto Assignee, subject to the covenants, conditions, terms, provisions and provisos therein contained.

In consideration of the assignment provided for herein, Assignee hereby assumes all of Assignor's obligations and covenants under the Contract and agrees to perform and be bound by all of the terms, covenants and conditions thereof to be performed by Assignor.

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

ASSIGNOR:

CEDAR INCOME FUND PARTNERSHIP, L.P.
By: Cedar Income Fund, Ltd.

By: _____
Name: Leo S. Ullman
Title: President

ASSIGNEE:

CEDAR-CAMP HILL, LLC

By: _____
Name: Leo S. Ullman
Title: President

LIMITED LIABILITY COMPANY AGREEMENT
OF
CEDAR-CAMP HILL, LLC

This LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of CEDAR-CAMP HILL, LLC (the "Company") is made and entered into to be effective for all purposes as of November 1, 2002 by Cedar Income Fund Partnership, L.P. ("Cedar Partnership"), as the sole equity member and such other persons as may from time to time be admitted as members of the Company in accordance with the terms of this Agreement and the Delaware Act (as that term is hereinafter defined). As used in this Agreement, the term "Member" (whether one or more) shall mean Cedar Partnership and any other persons or entities admitted as a member of the Company in accordance with this Agreement and the Delaware Act (so long as they are members of the Company), each in their capacity as a member of the Company.

R E C I T A L S :

WHEREAS, the Company was formed as a limited liability company pursuant to the Delaware Limited Liability Company Act, 6 Del. C. ss.ss. 18-101, et seq. (as amended from time to time, the "Delaware Act"), by the filing of a Certificate of Formation for the Company with the Secretary of State of Delaware;

NOW, THEREFORE, the undersigned hereby adopts the following as its "limited liability company agreement" (as that term is used in the Delaware Act):

1. Formation. The Certificate of Formation, the formation of the Company as a limited liability company under the Delaware Act, and all actions taken by Brenda J. Walker, as the authorized person within the meaning of the Delaware Act, who executed and filed the Certificate of Formation, are hereby adopted and ratified. The affairs of the Company and the conduct of its business shall be governed by the terms and subject to the conditions set forth in this Agreement, as amended from time to time. The Member is hereby authorized and directed to file any necessary amendments to the Certificate of Formation of the Company in the office of the Secretary of State of the State of Delaware and such other documents as may be required or appropriate under the Delaware Act or the laws of any other jurisdiction in which the Company may conduct business or own property.

2. Name and Principal Place of Business. The name of the Company is Cedar-Camp Hill, LLC. The Member may change the name of the Company or adopt such trade or fictitious names for use by the Company as the Member may from time to time determine. All business of the Company shall be conducted under such names and title to all assets or property owned by the Company shall be held in such names. The principal place of business and office of the Company shall be c/o Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, or at such other place or places as the Member may from time to time designate.

3. Registered Agent and Registered Office. The name of the Company's registered agent for service of process shall be The Corporation Trust Company, and the address of the Company's registered agent and the address of the Company's registered office in the State of Delaware shall be 1209 Orange Street, Wilmington, Delaware 19801. The registered agent and the registered office of the company may be changed from time to time by the Member.

4. Term. The term of the Company shall be deemed to have commenced on the filing of the Certificate of Formation in the office of Secretary of State of the State of Delaware and shall continue until December 31, 2050, unless sooner terminated or further extended pursuant to the provisions of this Agreement by the Member. The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Delaware Act.

5. Purpose. The purpose and business of the Company shall be to acquire and own, operate, develop, re-develop, finance, re-finance, lease, manage, sell and otherwise deal with the property known as the Camp Hill Mall, Camp Hill, Pennsylvania (the "Property"), and (ii) engage in any activity and take any action which limited liability companies may take that is incidental, necessary or appropriate to accomplish the foregoing.

6. Members.

(a) Cedar Partnership, whose address is set forth opposite its name in the signature page of this Agreement, is the sole member of the Company and shall be shown as such on the books and records of the company. Cedar

Partnership was admitted to the Company as a Member upon its execution of a counterpart signature page to this Agreement. Except as expressly permitted by this Agreement, no other person shall be admitted as a member of the Company, and no additional interest in the Company shall be issued, without the approval of the Member.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution. For purposes of this Section 6, Bankruptcy means, with respect to any person or entity, if such person or entity (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the person or entity or of all or any substantial part of its properties, or (vii) if 120 days after the commencement of any proceeding against the person or entity seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such person's or entity's consent or acquiescence of a trustee, receiver or liquidator of such person or entity or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy" is intended to replace and shall supersede and replace the definition of "Bankruptcy" set forth in Sections 18-101(1) and 18-304 of the Delaware Act.

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7. Management. In accordance with Section 18-402 of the Delaware Act, management of the Company shall be vested in the Member. The Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company. Notwithstanding anything to the contrary contained herein, the provisions of this Section 7 are subject to the provisions contained in Section 20 hereof.

8. Officers. The Member may, from time to time as it deems advisable, appoint officers of the Company (the "Officers") and assign in writing titles (including, without limitation, President, Vice President, Secretary, and Treasurer) to any such person. Unless the Member decides otherwise, if the title is one commonly used for officers of a business corporation formed under the General Corporation Law of the State of Delaware, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. Any delegation pursuant to this Section 8 may be revoked at any time by the Member. In accordance with the foregoing, the Member hereby appoints Leo S. Ullman as President, Brenda J. Walker as Vice President and Stuart H. Widowski as Secretary.

9. Initial Capital Contribution. The Member has contributed to the Company an initial contribution to the capital of the Company.

10. Additional Capital Contributions. The Member is not required to contribute any additional capital to the Company other than the initial contributions heretofore made. The Member will not have any obligation to restore any negative or deficit balance in its capital account, including any negative or deficit balance in its capital account upon liquidation and dissolution of the Company. Any additional funds required by the Company to meet its cash requirements shall, to the extent possible, be provided by Company borrowings from third parties, upon such terms and conditions as determined appropriate by the approval of the Member; provided, however, that in lieu of causing the Company to borrow from third parties, the Member may from time to time make additional capital contributions to the Company.

11. Tax Matters. The undersigned intend for the Company to be treated as a partnership for federal income tax purposes if the Company has two or more members, and otherwise as an entity that is disregarded as an entity separate from its owner for federal income tax purposes pursuant to Treasury Regulation Section 301.7701-3.

12. Distributions. The Company shall, as soon as reasonably practical, make monthly distributions and biannual adjusting distributions of the Company's net cash flow available for distribution, including distributions of net cash flow from operations, net proceeds of any interim capital transaction and net proceeds available upon dissolution and winding up of the Company (such net cash flow, net proceeds from interim capital transactions and net proceeds upon dissolution and winding up of the Company being herein sometimes referred to as the "Distributable Cash") (in each case after establishment of appropriate and reasonable reserves) to the Member. Notwithstanding any provision to the contrary contained in this Agreement, the Company, or any member on behalf of the Company, shall not be required to make a distribution to the Member on account of its interest in the Company if such distribution would violate the Delaware Act or any other applicable law.

13. Dissolution and Termination.

(a) The Company shall be dissolved and its business wound up upon the earliest to occur of any of the following events:

(i) The expiration of the term of the Company;

(ii) The sale of all or substantially all of the Company's assets.

(iii) The termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the business of the Company is continued in a manner permitted by this Agreement or the Delaware Act; or

(iv) The entry of a decree of judicial dissolution under Section 18-802 of the Delaware Act.

Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company in the Company.

(b) The Company shall not dissolve, liquidate or terminate upon the death, Bankruptcy, insolvency, dissolution, liquidation, termination, resignation, or removal of the Member.

(c) Upon dissolution, the Company's business shall be liquidated in an orderly manner. The Member shall act as the liquidating trustee to wind up the business of the Company pursuant to this Agreement. If there shall be no remaining Member, the successor-in-interest of the Member may approve one or more liquidating trustees to act as the liquidator in carrying out such liquidation. In performing its duties, the liquidator is authorized to sell, distribute, exchange or otherwise dispose of the assets of the Company in accordance with the Delaware Act and in any reasonable manner that the liquidator shall determine to be in the best interest of the Member or its successors-in-interest.

(d) In the event it becomes necessary in connection with the liquidation of the Company to make a distribution of property in kind, such property shall be transferred and conveyed to the Member.

(e) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation of the Company shall have been canceled in the manner required by the Delaware Act.

14. Indemnification. The Member shall not be liable to the Company for monetary damages for any losses, claims, damages or liabilities arising from any act or omission performed or omitted by it arising out of or in connection with

this Agreement or the Company's business or affairs, except for any such loss, claim, damage or liability primarily attributable to the Member's fraud, gross negligence or willful misconduct. The Company shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless the Member against any losses, claims damages or liabilities to which the Member may become subject in connection with any matter arising out of or in connection with this Agreement or the Company's business or affairs, except for any such loss, claim, damage or liability primarily attributable to the Member's fraud, gross negligence or willful misconduct. If the Member becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with this Agreement or the Company's business or affairs, the Company shall reimburse the Member for its reasonable legal fees and other reasonable out-of-pocket expenses (including the cost of any investigation and preparation) as they are incurred in connection therewith, provided that the Member shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined that the Member was not entitled to be indemnified by the Company in connection with such action, proceeding or investigation. If for any reason (other than the fraud, gross negligence or willful misconduct of the Member) the foregoing indemnification is unavailable to the Member, or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by the Member as a result of such loss, claim, damage, liability or expense in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Member on the other hand or, if such allocation is not permitted by applicable law, to reflect not only the relative benefits referred to above but also any other relevant equitable considerations. The provisions of this Paragraph 14 shall survive for a period of four (4) years from the date of dissolution of the Company, provided that if at the end of such period there are any actions, proceedings or investigations then pending, the Member may so notify the Company (which notice shall include a brief description of each such action, proceeding or investigation and the liabilities asserted therein) and the provisions of this Paragraph 14 shall survive with respect to each such action, proceeding or investigation set forth in such notice (or any related action, proceeding or investigation based upon the same or similar claim) until such date that such action, proceeding or investigation is finally resolved, and the obligations of the Company under this 14 shall be satisfied solely out of Company assets. Notwithstanding anything to the contrary contained in this Agreement, the obligations of the Company or the Member under this Paragraph 14 shall (i) be in addition to any liability which the Company or the Member may otherwise have and (ii) inure to the benefit of the Member, its affiliates and their respective members, directors, officers, employees, agents and affiliates and any successors, assigns, heirs and personal representatives of such persons.

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15. Liability of the Member. Except as otherwise expressly provided in the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Member shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being the member. Except as otherwise expressly provided in the Delaware Act, the liability of the Member shall be limited to the amount of capital contributions, if any, required to be made by the Member in accordance with the provisions of this Agreement, but only when and to the extent the same shall become due pursuant to the provisions of this Agreement.

16. Waiver of Partition and Nature of Interest in the Company. To the fullest extent permitted by law, the Member hereby irrevocably waives any right or power that the Member might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law, or to file a complaint or to institute any proceeding at law or in equity to cause the termination, dissolution and liquidation of the Company. The Member shall not have any interest in any specific assets of the Company.

17. Books, Records, Accounting and Reports. The Company shall maintain, or cause to be maintained, in a manner customary and consistent with good accounting principles, practices and procedures, a comprehensive system of office records, books and accounts (which records, books and accounts shall be and remain the property of the Company) in which shall be entered fully and accurately each and every financial transaction with respect to the ownership and operation of the property of the Company. Such books and records of account shall be prepared and maintained at the principal place of business of the Company or such other place or places as may from time to time be determined by the Member. The Member or its duly authorized representative shall have the right to inspect, examine and copy such books and records of account at the Company's office during reasonable business hours. A reasonable charge for copying books and records may be charged by the Company. The books of the Company shall be adjusted quarterly to the accrual basis in accordance with

generally accepted accounting practices and principles. The Company shall report its operations for tax purposes on the accrual method. The fiscal year of the Company shall end on December 31 of each year, unless a different fiscal year is acceptable by the Code.

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18. The Company Accountant. The Company shall retain as the regular accountant and auditor for the Company (the "Company Accountant") a nationally-recognized accounting firm designated by the Member. The fees and expenses of the Company Accountant shall be a Company expense.

19. Miscellaneous.

(a) Further Assurances. The Member agrees to execute, acknowledge, deliver, file, record and publish such further instruments and documents, and do all such other acts and things as may be required by law, or as may be required to carry out the intent and purposes of this Agreement.

(b) Successors and Assigns. This Agreement shall be binding upon the Member and its respective executors, administrators, legal representatives, heirs, successors and assigns.

(c) Severability. In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

(d) Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

20. SPE Requirements.

(a) The Company shall:

(i) Maintain books and records separate from any other person or entity;

(ii) Maintain its bank accounts separate from any other person or entity;

(iii) Not commingle assets with those of any other entity and shall hold all of its assets in its own name;

(iv) Conduct its own business in its own name;

(v) Pay its own liabilities out of its own funds;

(vi) Maintain an arm's length relationship with its affiliates;

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(vii) Pay the salaries of its own employees and maintain a sufficient number of employees in light of its contemplated business operations;

(viii) Not guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;

(ix) Not acquire obligations or securities of its Member;

(x) Use separate stationery, invoices and checks;

(xi) Hold itself out as a separate entity;

(xii) Correct any known misunderstanding regarding its separate identity;

(xiii) Maintain adequate capital in light of its contemplated business operations;

(xiiiv) Not identify itself as a division of any other person or entity;

(xiv) Not hold, form or acquire any subsidiaries;

(xvi) Observe all limited liability company formalities; and

(xvii) File its tax returns separate from any other entity.

21. Non-Compliance. Failure of the Company, or the Member on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Member.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in the introductory paragraph hereof.

Address

Member

c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050

Cedar Income Fund Partnership, L.P.
By: Cedar Income Fund, Ltd.,
general partner

By: _____
Leo S. Ullman, President

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PROPERTY MANAGEMENT AGREEMENT

[Camp Hill Mall]

THIS PROPERTY MANAGEMENT AGREEMENT ("Agreement") made as of _____, 2002 by and between CEDAR-CAMP HILL, LLC, a Delaware limited liability company ("Owner") and BRENTWAY MANAGEMENT LLC, a New York limited liability company ("Agent").

BACKGROUND

A. Owner is the owner of the land and improvements known as Camp Hill Mall, Camp Hill, Pennsylvania (the "Property").

B. Owner desires to retain Agent as its exclusive agent for the purposes of leasing and managing the Property on behalf of Owner and Agent is willing to act as agent for Owner with respect to the Property on the terms and conditions of the Agreement as more fully set forth herein.

NOW THEREFORE, in consideration of the agreements and covenants herein contained, and intending to be legally bound hereby, Owner and Agent agree as follows:

1. Owner hereby employs Agent to manage and lease as the exclusive broker the property upon the terms and conditions hereinafter set forth for an initial term of three (3) years from the date hereof unless otherwise extended, renewed or terminated as hereinafter set forth.

2. Agent agrees to perform the following:

2.1. Use its best efforts to lease or cause brokers or other agents to lease on behalf of Owner all available space in the Property;

2.2. Diligently to collect rents, additional rents and all other sums due from tenants when due and, where necessary or appropriate, and except as directed otherwise by Owner (in which event Owner shall bear the administrative costs of relieving Agent of such duty or duties), take all such actions as Agent shall deem necessary or advisable to enforce all rights and remedies of Owner under the leases relating to the Property (the "Leases") or to protect the interest of Owner, including, without limitation, the preparation and delivery to tenants under the Leases ("Tenants") of all "late payment", default, and other appropriate notices, requests, bills, demands, and statements. Agent may retain counsel, collection agencies, and such other persons and firms as Agent shall deem appropriate or advisable to enforce, after notification to Owner, by legal action the rights and remedies of Owner against any Tenant default in the performance of its obligations under a Lease. Agent shall promptly notify Owner of the progress of any such legal action;

2.3. To pay from the operating funds of the Property or such other funds as are provided by Owner bills and expenses for the maintenance, repair and operation of the Property, provided, however, that all expenditures in excess of \$5,000 in any single transaction or more than \$50,000 in the aggregate in any period of twelve (12) consecutive months shall be subject to Owner's approval unless such expenditure is included in the operating budget for the Property that has been approved by Owner, and provided further that Agent shall notify Owner of any budget expenditures cumulatively exceeding ten percent (10%) of any approved annual budget;

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2.4. To establish and maintain such books of account, records, and other documentation pertaining to the operation and maintenance of the Property as are customarily maintained by managing agents of properties similar in location and size to that of the Property. Agent shall prepare or cause to be prepared and file all returns and other reports relating to the Property, other than income tax returns and any reports or returns that may be required of any foreign owner of U.S. real property, as may be required by any governmental authority or otherwise under this Agreement. Agent shall periodically report to Owner on the general operations, occupancy, physical condition, disbursements, delinquencies, uncollectible accounts, and other matters relating to the Property. Agent shall prepare and forward to Owner a written report each month showing the receipts and expenditures for such month, the receipts and expenditures year-to-date and the variations from the agreed upon budget. These statements shall, upon Owner's request, be accompanied by appropriate documentation of all expenditures made by Agent under this Agreement. As soon as practicable after the end of each calendar year and after the expiration or termination of this Agreement, Agent shall use reasonable efforts to prepare and deliver to Owner statements pertaining to the operation and maintenance of the Property during the preceding calendar year. Agent shall prepare and submit to Owner for its approval no later than December 1st of each calendar year (or such

later date as the parties agree) a proposed pro forma budget for all costs pertaining to the operation and maintenance of the Property during the ensuing calendar year. Each such budget shall be substantially in the same form as the approved budget in effect for the prior calendar year, shall set forth expenditures on an annual and a monthly basis, and shall not, except for informational purposes, include estimates for costs and expenses for which Owner will be reimbursed by Tenants under the Leases. Agent shall make such reasonable modifications to each proposed pro forma budget it prepares in accordance with this section until Owner shall have approved this budget in writing, which approval shall not be unreasonably withheld or delayed. Such budget and revisions shall be deemed to be accepted and approved by Owner unless specifically rejected or accepted within fifteen (15) days of submission;

2.5. To account for all advance deposits of Tenants;

2.6. To refund to Tenants from escrow accounts, funds of the Property or funds provided by Owner, as appropriate, pro-rated rents, rebates, allowances, advance deposit refunds, and such other amounts as are legally due Tenants;

2.7. To collect from Tenants all insurance policies, Tenant insurance certificates, or other evidence of insurance required to be carried by Tenants;

2.8. Unless otherwise instructed by Owner, to secure for and on behalf of and at the expense of Owner such insurance, including without limitation, employee dishonesty insurance, fire and extended coverage property insurance, public liability insurance and workers' compensation insurance, as may be deemed by Owner (or any mortgagees) to be necessary or appropriate, in amounts satisfactory to Owner and Agent and naming Owner and Agent as co-insureds and in form and substance satisfactory to Owner, Agent and any mortgagees; provided, however, that if Agent promptly notifies Owner of the insurance so secured on behalf of Owner, and promptly complies with Owner's instructions regarding such insurance, Owner releases and holds Agent harmless of and from any claims, loss, damages and liability of any nature whatsoever based upon or in any way relating to Agent's securing or failure to secure any insurance, or any decision made by Agent with respect to the amount or extent of coverage thereof or the company or companies issuing, brokering or negotiating such insurance;

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2.9. To respond to complaints and inquiries by Tenants, prospective tenants and others, and to take such corrective actions as Agent deems appropriate;

2.10. To contract on behalf of and at the expense of Owner for such supplies and services in reasonable quantities and at reasonable prices as may be appropriate with respect to the Property, and to supervise and administer such contracts, including, without limitation, contracts for mechanical maintenance (including preventative maintenance), window and facade maintenance and cleaning, metal maintenance, pest control, trash removal, janitorial and maintenance supplies, building security, public relations, collection and credit reporting, legal and accounting services, computer services, architectural and engineering services, laundry services, and janitorial or cleaning services. In so contracting, Agent may contract with entities or persons affiliated with it, provided, however, that the rates and charges of the affiliated entity or person are generally competitive and consistent with rates and charges by non-affiliated entities and will obtain a minimum of two (2) competitive bids from non-affiliated contractors respecting any contract exceeding Ten Thousand Dollars (\$10,000.00);

2.11. To negotiate on behalf of Owner any applicable labor or collective bargaining agreements related to employees of Owner at the Property;

2.12. To hire, discharge, promote or demote, and supervise the on-site employees of Owner, if any, which employees may include, but are not necessarily limited to, a building executive director or supervisor, building manager, leasing specialist or leasing agent, secretarial and clerical staff, maintenance personnel, porters, laborers, security staff and watchmen, provided, however, that any personnel hired by Agent whose wages are not provided for in the approved budget, or otherwise approved by Owner, shall be employees of Agent and their wages and fringe benefits shall be paid by Agent without reimbursement by Owner;

2.13. To supervise and coordinate the moving in and moving out of Tenants to accomplish efficient and time saving use of personnel and elevators and maintain appropriate public relations with Tenants and prospective tenants;

2.14. To prepare and file and/or cause to be prepared and filed on behalf of Owner necessary forms for insurance, hospitalization, benefits, social

security taxes, union dues and contributions and such other forms, documents and returns as may be required by any governmental authority, a collective bargaining agreement, or otherwise with respect to employees of Owner at the Property;

2.15. To prepare and file or cause to be prepared and filed on behalf of Owner such applications for permits, and/or licenses as may be required for the operation of the Property;

2.16. To prepare and, where appropriate, transmit payroll records, accounting reports, vacancy and occupancy reports, delinquency reports, cash flow reports, and disbursement ledgers. Agent may contract with others, including but not limited to entities or persons affiliated with it, or provide its own personnel for the performance of accounting, bookkeeping and computer services in connection with such preparation and transmittal, all without any additional charge to Owner;

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2.17. To institute and prosecute on behalf of Owner such legal actions or proceedings as the Agent deems appropriate; to collect sums due Owner; with Owner's approval, to evict a Tenant, former Tenant or occupant of the Property; to regain possession of the Property or any part thereof; to contest any bill or charge asserted against or with respect to the Property; to defend any administrative or legal action brought against Agent and/or Owner with respect to the Property; with Owner's approval, to commence litigation pertaining to any labor or employment related dispute; to administratively process or litigate any tax related issue or other issues relating to the Property; to appeal all such proceedings and lawsuits; and to settle or compromise any claims, lawsuits, judgments and proceedings relating to the Property, provided however that Agent shall first notify Owner of any compromise which would result in an expenditure by or loss to Owner in excess of \$10,000;

2.18. To maintain such bank or similar accounts on behalf of Owner as are necessary or appropriate in the operation of the Property, including such reserve, investment, security, escrow and other accounts;

2.19. To open and maintain accounts on behalf of Owner with such suppliers and vendors as are necessary or appropriate for the efficient operation of the Property;

2.20. Subject to the approval by the Owner, to join and participate on Owner's behalf in such professional, trade or industry organizations and associations relating to shopping centers as is necessary or appropriate with respect to the operation of the Property;

2.21. To notify Owner of any violations of any laws, orders, rules, or determinations of any governmental authority or agency affecting the Property promptly after such occurrence is known to Agent;

2.22. To notify Owner of any catastrophe or major loss or damage or other material adverse change with respect to the Property, and to similarly notify all appropriate insurance authorities of the same, promptly upon Agent's knowledge thereof;

2.23. To supervise and arrange for all construction work performed on behalf of Owner at, in or about the Property, provided, however, that with respect to any construction work in excess of \$10,000, Agent shall be paid a construction supervision fee in the amount of five percent (5%) of the total construction costs or such greater amount as is negotiated and agreed upon by Agent and Owner;

2.24. Upon request of Owner, to provide or arrange for such engineering, architectural, design or consulting services with respect to construction, rehabilitation or decorating work or proposed construction, rehabilitation or decorating work at the Property, all such services to be paid for by Owner;

2.25. To handle on behalf of Owner the submission to appropriate insurance officials of insurance claims and the settlement thereof, provided however, that with respect to any proceeds or reimbursements with respect to such claim which is in excess of Twenty Five Thousand Dollars (\$25,000), Agent shall be paid a processing fee, in addition to all other fees set forth herein, in an amount equivalent to three percent (3%) of the amount received by Owner with respect to that claim;

2.26. To prepare such reports, data, presentations, market surveys or other material as Owner requests in connection with the sale, refinancing, disposition or master leasing of the Property;

2.27. To institute at Owner's expense, advertising, marketing and public relations campaigns pertaining to the Property;

2.28. To recommend to Owner, where Agent deems it appropriate, programs for the rehabilitation, remodeling, repairs and marketing of the Property; and

2.29. To perform such other services on behalf of Owner with respect to the Property customarily performed by agents within the Property's geographical area as shall be reasonably requested from time to time by Owner. If Owner and Agent disagree as to which services are customarily performed by agents as aforesaid, Agent shall not be required to perform such service until resolution of such dispute, and such non-performance shall not be the basis of termination by Owner of this Agreement.

3. Owner expressly withholds from Agent any power or authority to make any structural changes in any building or to make any other major alterations or additions in or to any such building or equipment therein, or to incur any expense chargeable to Owner other than expenses related to exercising the express powers above vested in Agent without the prior written direction of Owner (or any party that Owner shall direct), except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Property or the safety of the occupants thereof or are required to avoid the suspension of any necessary service to the Property.

3.1. Agent agrees to remit promptly to the account designated by Owner, all receipts received in the prior calendar month with respect to the Property in excess of budgeted operating expenses and reserves.

4. Owner shall, at all times, provide necessary funds to maintain and operate the Property as efficiently as possible and in a first class manner in keeping with the standards of operations for similarly situated shopping centers in the area. Owner shall advance such funds to Agent no later than fifteen (15) days after its receipt from Agent of notice of the necessity for such advance. Owner agrees to provide any anticipated cash deficits fifteen (15) days prior to its occurrence.

5. Except as otherwise provided for herein, Owner shall pay to Agent a property management fee in an amount equal to four percent (4%) of the gross receipts of the Property. However, until such time as the re-development of the Property has occurred, Agent shall accept a property management fee in an amount equal to three percent (3%) of the gross receipts of the Property. This fee shall be payable in monthly installments from the operating accounts maintained pursuant to Section 2.18 hereof. Gross receipts of the Property shall include all rents, percentage rents, tenant charges, reimbursements from Tenants for common area maintenance charges, insurance, utilities and real estate taxes and such other amounts as are collected from Tenants and shall exclude the proceeds from any sale or refinancing of the Property or any portion thereof and the proceeds of any settlements, insurance award (except as provided in Section 2.25) or condemnation award. This fee does not include payment for leasing services.

5.1. To the extent that operating revenues of the Property are insufficient to pay the management fee in full when due, and to the extent that Agent agrees in writing in advance to defer receipt by it of any part of the management fee due it, the amount so deferred shall bear interest at the rate of two (2) percentage points in excess of the "prime rate" or "base rate" from time to time announced by Citibank, N.A., New York New York compounded monthly. Nothing herein contained, however, shall be construed to obligate Agent to defer receipt by it of any management fee or other fees whatsoever.

5.2. Agent or its affiliate shall be the leasing agent for the Property. Owner shall pay brokerage commissions to outside brokers, if used in connection with negotiating a lease, at the rates annexed hereto as Schedule of Brokerage Commissions. Owner shall pay Agent or its affiliate a leasing commission for each lease signed during the term of this Agreement upon occupancy by the tenant pursuant thereto in an amount equal to ninety percent (90%) of the full leasing commission; provided however, the leasing commission to Agent or its affiliate shall be reduced to forty five percent (45%) of a full commission in the event that an outside broker is the procuring broker and is paid a full commission. In the event of a renewal, the commission payable to

Agent shall be one-half of the commission otherwise payable. This limitation shall not apply to commissions for the expansion of an existing tenant.

5.3. Owner agrees to pay to Agent or its affiliate a sales commission equal to 1% of the sales price of the Property, provided that no outside broker is involved. However, if there is an outside broker involved, then Owner shall pay Agent an amount equal to one-half of the difference between 3% of the sales price and the commission payable to the outside broker.

5.4. Owner agrees to pay to Agent or its affiliate a commission equal to 1% of the principal amount of any financing/refinancing arranged for the Property.

6. Owner shall reimburse Agent for reasonable, actual out-of-pocket expenses including telephone and facsimile charges, postage and express mail service and travel and food expenses incurred by Agent in connection with Agent's on site supervision of the Property by Agent's officers and personnel (evidenced by receipts submitted to Owner).

7. The Agent, on behalf of Owner, shall engage Stuart H. Widowski, Esq., or his successor, as legal counsel to provide legal services for Owner and the Property. Such services shall be provided as required and at a rate of \$200 per hour unless otherwise agreed to by Owner and Agent.

8. In performing its obligations hereunder, Agent shall comply with all applicable federal, state and local laws and regulations.

9. The initial term of this Agreement shall be for a period of three (3) years from the date hereof and this Agreement shall automatically renew from year to year thereafter unless and until terminated by either party upon ninety (90) days' prior written notice thereof. Notwithstanding the foregoing, Owner shall be entitled to terminate this Agreement (with no additional compensation) at any time upon fifteen (15) days' notice to Agent in the event of the malfeasance or breach of this Agreement by Agent or upon the filing of a bankruptcy petition against or by Agent. This Agreement shall terminate automatically (with no additional compensation) if:

(i) all or substantially all of the Property is condemned or acquired by eminent domain; or

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(ii) all or substantially all of the Property is destroyed by fire or other casualty as a result of which all or substantially all of the Tenants are unable to continue the normal conduct of their business in their respective occupied spaces and are permanently released under their respective leases from the payment of all rent thereunder; or

(iii) all of the Property is sold to an unrelated, third-party purchaser.

10. Owner shall pay or reimburse Agent for any monies due it under this Agreement for services prior to termination, notwithstanding termination of this Agreement. All provisions of this Agreement that require Owner to have insured or to defend, reimburse or indemnify Agent shall survive any termination and, if Agent is or becomes involved in any proceeding or litigation by reason of having been Owner's Agent, such provisions shall apply as if this Agreement were still in effect. Owner agrees that Agent may withhold funds for thirty (30) days after the end of the month in which this Agreement is terminated to pay bills previously incurred but not yet invoiced, and to close accounts.

11. Owner agrees to release, indemnify, defend, and save the Agent, its officers and employees harmless from and against all claims, disputes, losses, liabilities and suits (including but not limited to all attorneys' fees and litigation expenses and Agent's costs in connection therewith) in any way:

(i) relating to or arising in connection with the Property and/or damage to property and injuries to or death of any employee, invitee or other person whomsoever, and/or Agent's performance of its duties hereunder;

(ii) relating to any proceeding or suit involving an alleged violation by Owner of any law applicable to the Property or operations thereof; and

(iii) relating to obligations assumed by Agent, its officers or employees in connection with any financing or refinancing entered into in connection with the Property.

11.1. The obligations of Owner to indemnify, hold harmless, and reimburse Agent are subject to the following conditions:

(i) Agent shall promptly notify Owner of any matter with respect to which Owner is required to indemnify, hold harmless, or reimburse Agent; and

(ii) Agent shall not take or fail to take any actions, including an admission of liability, which would bar Owner from enforcing any applicable coverage under policies of insurance held by Owner or would prejudice any defense of Owner in any appropriate legal proceedings pertaining to any such matter or otherwise prevent Owner from defending itself with respect to any such matter, provided such action or failure to act resulted from the gross negligence or willful malfeasance of Agent.

Notwithstanding the foregoing, Owner shall not be required to indemnify, hold harmless, or reimburse Agent with respect to any matter to the extent the same resulted from the gross negligence or willful malfeasance of Agent or actions taken by Agent outside of the scope of Agent's authority under this Agreement or any express or implied direction of Owner.

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The provisions of this section shall survive the expiration or any termination of this Agreement.

12. Owner and Agent shall each waive any claim for loss or damage against the other and mutually agree to hold each other harmless for loss to the Property to the extent that either party is reimbursed or indemnified by insurance coverage.

13. Agent will promptly notify Owner of any violations of any requirements of any statute, ordinance, law or regulation of any Governmental body or any public authority or official thereof having jurisdiction and shall promptly take all actions necessary to cure such violations and to prevent any civil or criminal liability from being imposed.

14. In the event it is alleged or charged that the Property or any equipment therein or any act or failure to act by the Owner or its agents with respect to the Property or the sale, rental, or other disposition thereof fails to comply with, or is in violation of, any of the requirements of any provision, statute, ordinance, law, or regulation of any Governmental body or any order or ruling of any public authority or official thereof having or claiming to have jurisdiction thereover, and Agent, in its sole and absolute discretion, considers that the action or position of Owner may result in damage or liability to Agent, Agent shall have the right to cancel this Agreement at any time by giving not less than thirty (30) days' prior written notice to Owner of its election so to do, which cancellation shall be effective upon the service of such notice. Such notice may be served personally or by United States certified mail, and if served by mail shall be deemed to have been served when deposited in the United States mail system. Such cancellation shall not release the indemnities of Owner and Agent set forth herein and shall not terminate (i) any liability or obligation of Owner to Agent for any payment, reimbursement, or other sum of money then due and payable to Agent hereunder as of the date of such cancellation, or (ii) any obligation of Agent to remit moneys to Owner or to complete its obligations hereunder to the date of such cancellation. Agent shall cooperate with Owner to ensure a smooth and efficient transition to a new managing agent, including but not limited to, prompt delivery of files relating to the Property.

15. Agent agrees to release, indemnify, defend and save Owner harmless from and against all claims, disputes, losses, liabilities and suits (including but not limited to all attorneys' fees and litigation expenses and Owner's costs in connection therewith) in any way resulting from the gross negligence or willful malfeasance of Agent, or its employees:

(i) Relating to or arising in connection with the Property and/or damage to property and injuries to or death of any employee, invitee or other person whomsoever, and/or Agent's performance of its duties hereunder; and

(ii) Relating to any proceeding or suit involving an alleged violation by Agent of any law applicable to the Property or operations thereof.

16. It is expressly agreed by the parties that:

16.1. The parties have entered into this Agreement without any inducements, representations, statements, warranties or agreements made by either party other than those expressly stated herein.

16.2. This Agreement embodies the entire understanding of the parties with respect to the subject matters stated herein and there are no other understandings or undertakings related to the within subject matters. This Agreement may be modified only by a written agreement signed by the parties hereto.

16.3. The provisions of this Agreement are severable and to the extent that any provision herein is determined by court order, law or rule to be invalid, such invalidity shall in no way affect nor invalidate the other provisions of this Agreement.

16.4. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

16.5. With respect to any and all disputes under or relating to this Agreement, the parties consent to the exclusive jurisdiction and venue of the Supreme Court of the State of New York, Nassau County and the United States District Court for the Eastern District of New York and the appellate courts with supervisory powers thereover.

16.6. The parties agree that in any litigation or proceeding commenced by either party against the other, service of process shall be deemed to be effective either by hand delivery thereof or by the mailing thereof via certified mail, postage prepaid, with a proof of mailing receipt validated by the U.S. Postal Service constituting the sufficient evidence of service of process.

16.7. With respect to any notices that are required or permitted to be made pursuant to this Agreement, they shall be in writing and either delivered personally or sent by United States mail addressed as follows:

As to Owner:

CEDAR-CAMP HILL, LLC
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Leo S. Ullman

As to Agent:

Brentway Management LLC
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Brenda J. Walker

16.8. This Agreement may not be assigned by Agent without the prior written consent of Owner, provided, however, that Owner consents to Agent's designating a subsidiary or affiliate of Agent to act on behalf of Agent as leasing and rental agent for the Property. This Agreement shall be binding upon and benefit the parties hereto and their respective successors and permitted assigns.

17. Agent acknowledges that Owner has obtained a loan from Citizens Bank of Pennsylvania ("Lender") in the principal amount of up to \$14,000,000 (the "Loan"), which is governed by a certain Loan Agreement between Owner and Lender dated the date hereof. For so long as the Loan is outstanding:

- (a) this Agreement shall be terminable by Lender or its nominee without penalty or premium following the occurrence of an Event of Default (as such term is defined in the Loan Agreement) or by Owner after Lender has notified Owner in writing that Agent is unsatisfactory to Lender, in each case upon thirty (30) days prior written notice to Agent;
- (b) all payments hereunder shall be subject and subordinate in lien and priority of payment to the payment of all principal and interest and all other amounts due under the Loan; and
- (c) Agent shall promptly notify Lender with respect to any default hereunder and promptly deliver to Lender a copy of each notice, report, plan or statement delivered by Agent to Owner hereunder.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the

parties have executed this Property Management Agreement as of the day and year first set forth above.

AGENT

BRENTWAY MANAGEMENT LLC

By: _____
Leo S. Ullman
Chairman

OWNER

CEDAR-CAMP HILL, LLC

By: _____
Leo S. Ullman
President

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EXHIBIT A

Schedule of Brokerage Commissions

New Jersey and Pennsylvania
5% per annum

Ground Leases
10% (whole term)

PROMISSORY NOTE

in the principal amount of

\$6,000,000.00

BY

CEDAR INCOME FUND PARTNERSHIP, L.P.

TO

SWH FUNDING CORP.

AS OF NOVEMBER ____, 2002

PROMISSORY NOTE

\$6,000,000.00

As of November ____, 2002
New York, New York

THIS PROMISSORY NOTE (AS AMENDED, MODIFIED, EXTENDED, SUPPLEMENTED, RESTATED, REPLACED, CONSOLIDATED, SEVERED OR SPLIT FROM TIME TO TIME, THIS "NOTE") IS THE PROMISSORY NOTE DESCRIBED IN AND DEFINED IN THAT CERTAIN LOAN AGREEMENT, AS OF EVEN DATE HERewith, BY AND BETWEEN HOLDER, AS LENDER, AND MAKER, AS BORROWER (AS AMENDED, MODIFIED, EXTENDED, SUPPLEMENTED, RESTATED OR REPLACED FROM TIME TO TIME, THE "LOAN AGREEMENT"). ALL CAPITALIZED TERMS USED HEREIN, BUT NOT OTHERWISE DEFINED HEREIN, SHALL HAVE THE RESPECTIVE MEANINGS ASCRIBED THERETO IN THE LOAN AGREEMENT, AND ALL OF THE TERMS, CONDITIONS, PROVISIONS, COVENANTS, REPRESENTATIONS AND WARRANTIES CONTAINED IN THE LOAN AGREEMENT ARE INCORPORATED HEREIN BY THIS REFERENCE, MUTATIS MUTANDIS, AS IF FULLY AND EXPRESSLY SET FORTH IN THIS NOTE.

W I T N E S S E T H :

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FOR VALUE RECEIVED, THE UNDERSIGNED, CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership, having an office c/o Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050 ("Maker"), promises to pay to the order of SWH Funding Corp., a New Jersey corporation, having an office at Two University Plaza, Hackensack, New Jersey 07601 (together with its successors, assigns and participants, "Holder"), the principal sum of SIX MILLION AND 00/100 DOLLARS (\$6,000,000.00), or so much thereof as shall have been advanced or readvanced and is from time to time outstanding, together with interest thereon as hereinafter set forth, and all other amounts due and payable to Holder hereunder and under the Loan Documents, all payable in lawful money of the United States of America. All payments hereunder shall be made to Holder at such address and in such manner as is set forth in the Loan Agreement.

1. Basic Interest; Additional Interest; Other Payments.

1.1 Basic Interest. Provided that no Event of Default shall have occurred under this Note, the Loan Agreement or any other Loan Document, Basic Interest shall accrue on the Outstanding Principal Balance at the Basic Interest Rate and Maker shall pay to Holder Basic Interest at the Basic Interest Rate as and when provided for in the Loan Agreement.

1.2 Principal. Provided that no Event of Default shall have occurred

under this Note, the Loan Agreement or any other Loan Document, Maker shall pay principal payments as and when provided for in the Loan Agreement.

1.3 Other Payments. Maker shall pay to Holder the Exit Fee, interest at the Default Rate, Late Charges and all other amounts due and payable if, as and when provided for in the Loan Agreement.

2. Maturity. The Outstanding Principal Balance, together with accrued and unpaid Basic Interest, Additional Interest, interest at the Default Rate, if any, Late Charges, if any, the Exit Fee and all other amounts due and payable to Holder hereunder and under the Loan Documents shall be due and payable on the Maturity Date as provided for in the Loan Agreement.

3. Prepayment. The Outstanding Principal Balance due under this Note shall be prepayable, subject to and only as provided in the Loan Agreement.

4. Default.

4.1 Events of Default. The occurrence of any Event of Default under the Loan Agreement shall constitute an Event of Default under this Note.

4.2 Remedies. Upon the occurrence and during the continuance of an Event of Default: (a) interest shall accrue hereunder at the Default Rate, (b) Holder may, at its option and without notice (such notice being expressly waived by Maker), DECLARE AND DEMAND this Note immediately due and payable and (c) Holder may pursue all rights and remedies available hereunder or under the Loan Agreement or under any of the other Loan Documents. Holder's rights, remedies and powers, as provided in this Note and in the Loan Agreement and in the other Loan Documents, are cumulative and concurrent, and may be pursued singly, successively or together against Maker, the Collateral and/or any other collateral given at any time to secure the payment hereof, all at the sole discretion of Holder. Additionally, Holder may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in Holder's sole discretion. Failure of Holder, for any period of time or on more than one occasion, to DECLARE AND DEMAND this Note immediately due and payable shall not constitute a waiver of the right to exercise the same at any time from and after any Event of Default.

4.3 Costs of Collection. Maker agrees to pay all reasonable costs and expenses of collection incurred by Holder, in addition to principal and interest (including, without limitation, reasonable attorneys' fees and disbursements), and including, without limitation, all costs and expenses incurred in connection with the pursuit by Holder of any of its rights or remedies hereunder, under the Loan Agreement or under any other Loan Document or the protection of or realization of Collateral or in connection with any of Holder's collection efforts, whether or not any action or proceeding on this Note, the Loan Agreement, any other Loan Document or any foreclosure proceeding is filed or asserted, and including, without limitation, all such costs and expenses incurred after the entry of a judgment on this Note or any of the other Loan Documents until the indefeasible payment in full of the Obligations, and all such costs and expenses shall be payable on demand, together with interest thereon at the Default Rate, and shall be secured by and all other Collateral.

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4.4 Post-Judgment Interest. Notwithstanding any statute or rule of any Governmental Authority to the contrary, interest shall continue to accrue and be payable on the Outstanding Principal Balance at the Default Rate after the entry of a judgment on this Note (including, without limitation, a deficiency judgment), the Pledge (including, without limitation, a judgment of foreclosure and sale with respect to the Collateral or any portion thereof) or any of the other Loan Documents until the indefeasible payment in full or other discharge of all the Obligations.

5. Governing Law; Severability. THIS NOTE WAS NEGOTIATED, EXECUTED AND DELIVERED IN THE STATE OF NEW YORK. THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO NEW YORK'S PRINCIPLES OF CONFLICTS OF LAWS EXCEPT THAT IT IS THE INTENT AND PURPOSE OF HOLDER AND MAKER THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS NOTE. The invalidity, illegality or unenforceability of any provision of this Note shall not affect or impair the validity, legality or enforceability of the remainder of this Note, and to such end, the provisions of this Note are declared to be severable.

6. Waivers. Without limiting any provision of the Loan Agreement or any other Loan Document, Maker, for itself and all endorsers, guarantors and sureties of this Note, and their respective heirs, legal representatives, successors and assigns, hereby waives presentment for payment, demand, notice of nonpayment (except as specifically and expressly set forth in the Loan Agreement), notice of dishonor, protest of any dishonor, notice of protest and protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, except as expressly provided herein or in the Loan Agreement or any other Loan

Document, and in connection with any suit, action or proceeding brought by Holder on this Note, any and every right Maker, and all such endorsers, guarantors and sureties of this Note, their respective heirs, legal representatives, successors and assigns may have to (a) injunctive relief, (b) a trial by jury, (c) interpose any counterclaim therein (except for any compulsory counterclaim which, if not asserted in such suit, action or proceeding, would be waived), and (d) have the same consolidated with any other or separate suit, action or proceeding, and agrees that their respective liability shall be unconditional and without regard to the liability of any other party and shall not be in any manner affected by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Holder. Maker, for itself and all endorsers, guarantors and sureties of this Note, and their heirs, legal representatives, successors and assigns, hereby consents to every extension of time, renewal, waiver or modification that may be granted by Holder with respect to the payment or other provisions of this Note, and to the release of any makers, endorsers, guarantors or sureties, and their heirs, legal representatives, successors and assigns, and of any Collateral, with or without substitution, and agrees that additional makers, endorsers, guarantors or sureties and their heirs, legal representatives, successors and assigns, may become parties hereto without notice to Maker or to any endorser, guarantor or surety and without affecting the liability of any of them.

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7. Application of Payments; Revival. Each and every payment made by Maker to Holder in accordance with the terms hereof and of the Loan Agreement and all other proceeds received by Holder with respect to the Obligations shall be applied by Holder as provided for in Section 2 of the Loan Agreement. To the extent that Maker makes a payment or Holder receives any payment or proceeds for Maker's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under the Bankruptcy Code or any other bankruptcy law, common law or equitable cause, then, to such extent, the obligations of Maker hereunder intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Holder.

8. Miscellaneous.

8.1 Amendments; Termination. This Note may not be terminated or amended orally, but only by a termination or amendment in writing signed by Holder. Upon the indefeasible payment and performance in full of all the Obligations, Holder shall, at Maker's request and expense, return this Note to Maker marked "Canceled."

8.2 Usury. It is the intention of Maker and Holder to conform strictly to the usury and other laws relating to interest from time to time in force, and all agreements between Maker and Holder, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by demand hereunder or otherwise, shall the amount paid or agreed to be paid to Holder, or collected by Holder for the use, forbearance or detention of the money to be loaned hereunder, or for the payment or performance of any covenant or obligation contained herein or in the Loan Agreement or in any other agreement given to secure the Obligations or in any other Loan Document, exceed the maximum amount of interest allowable under applicable law (the "Maximum Amount"). If under any circumstances whatsoever fulfillment of any provision hereof or of the Loan Agreement or any other Loan Document, at the time performance of such provision shall be due, shall involve transcending the Maximum Amount, then ipso facto, the obligation to be fulfilled shall be reduced to the Maximum Amount. For the purposes of calculating the actual amount of interest paid and/or payable, in respect of laws pertaining to usury or such other laws as may regulate the amount of interest payable under applicable law, all sums paid or agreed to be paid to Holder for the use, forbearance or detention of the indebtedness evidenced hereby shall, to the extent permitted by applicable law, be amortized, allocated and spread from the date of disbursement of the proceeds thereof until payment in full of the Obligations, so that the actual rate of interest on account thereof is uniform throughout the term hereof. If under any circumstances Holder shall ever receive an amount deemed interest by applicable law, which amount would exceed the Maximum Amount, such amount that would be excessive interest under applicable usury or other such laws shall be deemed a payment in reduction of the principal balance owing under this Note and shall be so applied to principal and not to the payment of interest or, if such excessive interest shall be deemed to have been a payment made by mistake, shall be refunded to Maker or to any other Person making such payment on Maker's behalf.

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8.3 Captions. The captions of the Sections of this Note are for convenience of reference only and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof.

8.4 Notices. Any notice, demand, request, or other communication given under this Note or in connection herewith shall be given and deemed

sufficient as provided in and subject to the terms and conditions of the Loan Agreement.

8.5 Joint and Several Obligations. The obligations of Maker under this Note shall be joint and several obligations of Maker and of each Maker, if more than one, and of each Maker's heirs, legal representatives, successors and assigns.

8.6 Time of Essence. TIME IS OF THE ESSENCE with respect to this Note and the performance by Maker of each of the covenants and agreements on Maker's part to be performed hereunder.

9. Assignment by Holder; Participations. The provisions of Section 7.8 of the Loan Agreement are hereby incorporated in this Note by this reference, mutatis mutandis, and shall have the same force and effect as if set forth at length herein.

10. Venue; Service of Process. The provisions of Section 7.22 of the Loan Agreement are hereby incorporated in this Note by this reference, mutatis mutandis, and shall have the same force and effect as if set forth at length herein.

11. Jury Trial Waiver. MAKER HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS NOTE AND THE BUSINESS RELATIONSHIP THAT IS BEING ESTABLISHED AS DESCRIBED IN THE LOAN AGREEMENT. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY MAKER, AND MAKER ACKNOWLEDGES THAT NEITHER HOLDER NOR ANY PERSON ACTING ON BEHALF OF HOLDER HAS MADE ANY REPRESENTATIONS OF FACT TO INCLUDE THIS WAIVER OF TRIAL BY JURY OR HAS TAKEN ANY ACTIONS WHICH IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. MAKER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO HOLDER TO ENTER INTO THE SUBJECT BUSINESS RELATIONSHIP WITH MAKER, THAT HOLDER HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS NOTE AND THAT HOLDER WILL CONTINUE TO RELY ON THIS WAIVER IN ALL RELATED FUTURE DEALINGS WITH MAKER. MAKER FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL.

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12. Limitation on Lender Liability. The provisions of Section 7.21 of the Loan Agreement are hereby incorporated in this Note by this reference, mutatis mutandis, and shall have the same force and effect as if set forth at length herein.

13. Registration of Notes.

(a) The Maker hereby acknowledges and makes this Note a registered obligation for United States withholding tax purposes. The Maker shall be the registrar for this Note (the "Registrar"). Each Holder, by its acceptance of this Note, agrees to be bound by the provisions of this Section 13 with full power of substitution. In the event the Registrar becomes unable or unwilling to act as registrar under this Note, the Maker shall reasonably designate a successor Registrar. Each Holder who is a foreign person, by its acceptance of this Note, hereby agrees to provide the Maker with a completed Internal Revenue Service Form W-8 (Certificate of Foreign Status) or a substantially similar form for such Holder, participants or other affiliates who are holders of beneficial interests in this Note. Notwithstanding any contrary provision contained in this Note or any of the other Loan Documents, neither this Note nor any interests therein may be sold, transferred, hypothecated, participated or assigned to any Person except upon satisfaction of the conditions specified in this Section 13. Each Holder, by its acceptance of this Note, agrees to be bound by the provisions of this Section 13.

(b) The Registrar shall keep at its principal executive office (or an office or agency designated by it by notice to the last registered Holder of this Note) a ledger, in which, subject to such reasonable regulations as it may prescribe, but at its expense (except as specified below), which shall provide for the registration and transfer of this Note (the "Register"). No sale, transfer, hypothecation, participation or assignment of this Note or any interest therein shall be effective for any purpose until it shall be entered on the Register. Prior to the registration of assignment or sale of this Note, the Registrar shall treat the Person in whose name this Note is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary. In the event of a sale, transfer, hypothecation, participation or assignment of this Note or any interest therein, the Holder of this Note prior to such sale, transfer, hypothecation, participation or assignment of this Note or any interest therein shall provide the Registrar with notice of such transaction at the time of such transaction. The Registrar shall record the transfer of this Note on the Register maintained for this purpose upon receipt by the Registrar at the office or agency designated by the Registrar of (i) a written assignment of this Note being assigned (or the applicable interest therein), (ii) funds sufficient to pay any transfer taxes payable upon the making of such transfer as well as the cost of reviewing the documents presented to the Registrar, and (iii) such

evidence of due execution as the Registrar shall reasonably require. The Registrar shall record the transfer of this Note on the books maintained for such purpose at the cost and expense of the assignee.

(c) In the event that any Holder sells participations in this Note, such Holder shall maintain a register on which it enters the names of all participants in this Note held by it (the "Participant Register"). This Note may be participated in whole or in part only by registration of such participation on the Participant Register, and any participation of this Note or transfer of such participation may be effected only by the registration of such participation on the Participant Register.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Maker has caused this Note to be executed by its duly authorized representative as of the day and year first above written.

CEDAR INCOME FUND PARTNERSHIP, L.P.,
a Delaware limited partnership

By: Cedar Income Fund, Ltd.,
a Maryland corporation,
General Partner

By: _____
Name: Leo S. Ullman
Title: President

ACKNOWLEDGMENT

Within New York:

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On the ___ day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Leo S. Ullman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public (SEAL)

Outside New York:

STATE OF _____)
) ss.:
COUNTY OF _____)

On the ___ day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the _____.

Notary Public (SEAL)

LOAN AGREEMENT
BY AND BETWEEN
SWH FUNDING CORP.,
AS LENDER

AND

CEDAR INCOME FUND PARTNERSHIP, L.P.,
AS BORROWER

AS OF NOVEMBER ___, 2002

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LOAN AGREEMENT

THIS LOAN AGREEMENT (as amended, modified, supplemented, extended, restated or replaced from time to time, this "Agreement"), dated as of November __, 2002, by and between SWH FUNDING CORP., a New Jersey corporation, having an office at Two University Plaza, Hackensack, New Jersey 07601 (together with its successors, assigns and/or participants, "Lender"), and CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership, having an office c/o Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050 ("Borrower").

W I T N E S S E T H:

- - - - -

WHEREAS, Borrower desires to borrow the sum of up to \$6,000,000.00 (the "Loan Amount") from Lender (the "Loan") in order to (a) re-pay to Lender in full that certain loan in the original principal amount of \$6,000,000.00 made by Lender to Borrower, which loan was made pursuant to that certain Loan Agreement dated as of October 9, 2001, between Borrower and Lender (the "Existing Loan"), (b) provide a portion of the equity shortfall required to enable Cedar-Camp Hill LLC, a Delaware limited liability company wholly owned by Borrower ("Camp Hill LLC") to acquire the tracts and parcels of land located in Camp Hill Pennsylvania, as more particularly described on Exhibit A-1 attached hereto and made a part hereof and the improvements situate thereon (the "Camp Hill Property") and (c) pay a portion of the Permitted Closing Fees and Costs (as hereinafter defined); and

WHEREAS, Lender has advised Borrower that, subject to the terms and conditions of this Agreement and of the Loan Documents (as hereinafter defined), and in reliance upon the representations, warranties, covenants and undertakings of Borrower herein and therein contained, Lender is willing to make the Loan to Borrower on the terms and conditions set forth herein and therein.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and the recitals hereinabove set forth which are hereby incorporated herein and made a part hereof, and the mutual promises and agreements herein contained, Lender and Borrower hereby agree as follows:

ARTICLE 1
PARTICULAR TERMS; DEFINITIONS

The following terms shall have the respective meanings hereinafter specified for all purposes of this Agreement, and shall be applicable equally to the singular and plural forms of such terms:

"Academy Plaza Loan" shall mean that certain loan in the original principal amount of \$11,080,000.00 made by The Chase Manhattan Bank to Academy Store, L.P., which loan (a) is secured by, inter alia, a mortgage encumbering the Shopping Center known as Academy Plaza and (b) was assumed by Academy Plaza

"Access Laws" shall mean the Americans with Disabilities Act of 1990, as amended, all state and local laws and ordinances related to handicapped access and all rules, regulations, and orders issued pursuant thereto including, without limitation, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities.

"Affiliate" shall mean, with respect to a specified Person, (a) a Person who, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the specified Person, (b) any Person who is an officer, director, partner, manager, employee, or trustee of, or serves in a similar capacity with respect to, the specified Person or of which the specified Person is an officer, partner, manager or trustee, or with respect to which the specified Person serves in a similar capacity, (c) if the Person is an individual, the spouse, issue, or parent of the specified Person, and (d) any Person which would constitute an Affiliate of any such Person described in clauses (a) through (d) immediately above.

"Affirmative Covenant" shall mean a promise or covenant by any Person to perform, act, suffer, permit or consent.

"Agreement" shall have the meaning ascribed thereto in the introductory paragraph hereof.

"Approved Accountants" shall mean one of the so-called "Big Four" accounting firms or such other independent certified public accountants of nationally recognized standing selected by the Person required to deliver the applicable Financial Statements and other reports provided for herein, which Approved Accountants, if not one of the so-called "Big Four" accounting firms, shall be subject to Lender's prior written approval not unreasonably to be withheld. Notwithstanding the foregoing, if (a) Borrower makes the First Mandatory Prepayment in accordance with Section 2.3.2(b) hereof and (b) Camp Hill LLC is required, pursuant to the terms of the Camp Hill Loan Documents, to obtain the prior written approval of the Camp Hill Lender to any accountants utilized by Camp Hill LLC for the preparation of any financial statements required thereunder, then Borrower shall not be required to obtain Lender's prior written approval hereunder so long as no Event of Default shall have occurred, in which case, Lender's prior written approval shall be required hereunder.

"Approved Base Building Work" shall mean, with respect to any Property, any capital improvements to be made to any portion of such Property not occupied or intended to be occupied by a Tenant.

"Approved Base Building Work Contractor(s)" shall mean, with respect to any Approved Base Building Work, the contractor(s) selected or approved by the

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applicable Property Owner to perform the Approved Base Building Work, which contractor(s) shall have been approved by Lender, such approval not unreasonably to be withheld or delayed. Notwithstanding the foregoing, if (a) Borrower makes the First Mandatory Prepayment in accordance with Section 2.3.2(b) hereof and (ii) Camp Hill LLC is required, pursuant to the terms of the Camp Hill Loan Documents, to obtain the approval of the Camp Hill Lender to any such contractor(s) performing Approved Base Building Work at the Camp Hill Property, then Borrower shall not be required to obtain Lender's approval hereunder with respect to Approved Base Building Work to be performed at the Camp Hill Property so long as no Event of Default shall have occurred, in which case, Lender's approval shall be required hereunder.

"Approved Base Building Work Plans and Specifications" shall mean the designs, plans and specifications for any Approved Base Building Work, which designs, plan and specifications shall have been approved by Lender, such approval not unreasonably to be withheld or delayed. Notwithstanding the foregoing, if (a) Borrower makes the First Mandatory Prepayment in accordance with Section 2.3.2(b) hereof and (b) Camp Hill LLC is required, pursuant to the terms of the Camp Hill Loan Documents, to obtain the approval of the Camp Hill Lender to any such designs, plans and specifications with respect to Approved Base Building Work performed at the Camp Hill Property, then Borrower shall not be required to obtain Lender's approval hereunder with respect to Approved Base Building Work to be performed at the Camp Hill Property so long as no Event of Default shall have occurred, in which case, Lender's approval shall be required hereunder.

"Approved Contracts" shall mean the Contracts set forth on Exhibit B attached hereto and made a part hereof and any other Contract entered into after the date hereof in accordance with Section 4.18 hereof.

"Approved Leases" shall mean all Leases as set forth on Exhibit C attached hereto and made a part hereof and all Leases entered into after the Effective Date in accordance with Section 4.6 hereof.

"Approved Operating Budget" shall have the meaning ascribed thereto in

Section 4.11(d) hereof.

"Approved Operating Expenses" shall mean, with respect to any Property, all Expenses set forth on the Approved Operating Budget then in effect in respect of such Property.

"Approved Permitted Encumbrances" shall mean the encumbrances set forth on Schedule B of each of the Title Policies.

"Approved Tenant Improvement Contractor(s)" shall mean, with respect to any Approved Tenant Improvements, the contractor(s) selected or approved by the applicable Property Owner to perform any Landlord Work and/or to oversee any Tenant Work, which contractor(s) have been approved by Lender, such approval not unreasonably to be withheld.

"Approved Tenant Improvement Plans and Specifications" shall mean the designs, plans and specifications for any Approved Tenant Improvements, which designs, plans and specifications have been approved by Lender, such approval not unreasonably to be withheld.

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"Approved Tenant Improvements" shall mean any Tenant Work or Landlord Work under an Approved Lease which has been approved by Lender.

"Assignees" shall have the meaning ascribed thereto in Section 7.8.1 hereof.

"Bankruptcy Code" shall mean Title 11 of the United States Code, 11 U.S.C. ss.ss.101 et seq., as amended.

"Basic Interest" shall mean interest due on the Outstanding Principal Balance calculated at the Basic Interest Rate on the basis of a 360 day year for the actual number of days elapsed.

"Basic Interest Rate" shall mean a fixed rate equal to (a) twelve and one-half percent (12.5%) per annum, for any Interest Accrual Period or portion thereof from and after the Effective Date through and including November 30, 2004 and (b) fourteen percent (14%) per annum for any Interest Accrual Period or portion thereof from and after December 1, 2004 through and including the Scheduled Maturity Date.

"best knowledge" or "knowledge" shall mean, for the purpose of this Agreement and the other Loan Documents, the actual knowledge of the Person in question, after having made due inquiry. If any Person with respect to which this term would be applicable is a corporation, knowledge of such Person shall refer to actual knowledge of its officers or directors, after having made due inquiry. If any such Person is a partnership, knowledge of such entity shall refer to actual knowledge of each of its partners who participates in the management of such partnership (directly or indirectly), after having made due inquiry. If any such Person is a limited liability company, knowledge of such entity shall refer to actual knowledge of its managing member(s), after having made due inquiry. The knowledge of Borrower for purposes of this definition shall also include the knowledge of the Manager if it is an Affiliate of Borrower.

"Boiler Insurance" shall have the meaning ascribed thereto in Section 5.1.7 hereof.

"Borrower" shall have the meaning ascribed thereto in the recitals to this Agreement.

"Borrower Affiliates" shall mean, collectively, Camp Hill LLC, Holdings LLC, the Bryant Owners and the Bryant Members.

"Borrower Entities" shall mean, collectively, Borrower and the Borrower Affiliates.

"Broker" shall have the meaning ascribed thereto in Section 3.25 hereof.

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"Bryant Loans" shall mean, collectively, the Academy Plaza Loan, the Port Richmond Village Loan and the Washington Center Loan, and, each, individually, is referred to herein as a "Bryant Loan".

"Bryant Loan Documents" shall mean, collectively, all of the documents executed and/or delivered in connection with the Bryant Loans.

"Bryant Members" shall mean, collectively, Academy Plaza L.L.C. 2, Port Richmond L.L.C. 2 and Washington Center L.L.C. 2, each a Delaware limited

liability company.

"Bryant Owners" shall mean, collectively, Academy Plaza L.L.C. 1, Port Richmond L.L.C. 1 and Washington Center L.L.C. 1., each a Delaware limited liability company.

"Bryant Shopping Centers" shall mean, collectively, (a) the fee simple interest of Washington Center L.L.C. 1, in that certain parcel of real property and the improvements situate thereon and the personal property used in connection therewith, commonly known as Washington Center and located in Sewell, New Jersey, as more particularly described on Exhibit A-2 attached hereto and made a part hereof, (b) the fee simple interest of Academy Plaza L.L.C. 1, in that certain parcel of real property and the improvements situate thereon and the personal property used in connection therewith, commonly known as Academy Plaza and located in Philadelphia, Pennsylvania, as more particularly described on Exhibit A-3 attached hereto and made a part hereof, and (c) the fee simple interest of Port Richmond L.L.C. 1, in that certain parcel of real property and the improvements situate thereon and the personal property used in connection therewith, commonly known as Port Richmond Village and located in Philadelphia, Pennsylvania, as more particularly described on Exhibit A-4 attached hereto and made a part hereof. Each of the Bryant Shopping Centers is referred to herein individually as a "Bryant Shopping Center."

"Builder's Risk Insurance" shall have the meaning ascribed thereto in Section 5.1.5 hereof.

"Business Day" shall mean any day except a Saturday, Sunday or other day on which commercial banks are required or permitted by law to close in New York City.

"Business Insurance" shall have the meaning ascribed thereto in Section 5.1.3 hereof.

"Camp Hill LLC" shall have the meaning ascribed thereto in the recitals to this Agreement.

"Camp Hill Lender" shall mean Citizens Bank of Pennsylvania.

"Camp Hill Loan" shall mean that certain loan in the original principal amount of \$14,000,000.00, made by the Camp Hill Lender to Camp Hill LLC, which loan is secured by, inter alia, a mortgage encumbering the Camp Hill Property.

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"Camp Hill Loan Documents" shall mean documents executed and/or delivered in connection with the Camp Hill Loan.

"Camp Hill Property" shall have the meaning ascribed thereto in the recitals to this Agreement.

"Capital Adequacy Events" shall have the meaning ascribed thereto in Section 2.5(a) hereof.

"Change in Control Event" shall mean any transaction or series of transactions (including by way of merger, consolidation, exchange, dividend, hypothecation, Transfer, distribution, redemption or similar event) or any other event (including death, disability, incapacity, dissolution, insolvency, resignation, withdrawal or similar occurrence) the result of which is either that (a) Guarantor no longer controls, directly or indirectly, Borrower and/or (b) Brentway Management LLC no longer manages all of the Properties or (c) Leo Ullman no longer controls, directly or indirectly, Brentway Management LLC.

"Claim" shall have the meaning ascribed thereto in Section 7.5(b) hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations promulgated thereunder.

"Collateral" shall mean all collateral pledged to Lender in respect of the Loan hereunder or under any of the other Loan Documents.

"Competitive Business" shall mean the relocation, solicitation, enticement, inducement, interference with occupancy or other act or omission by Borrower, any other Significant Party, any Borrower Affiliate or any Manager or any of their respective Affiliates concerning any Tenant of any Property which results in or may reasonably be anticipated to result in the relocation, surrender, termination, takeover, removal or movement of any such Tenant from its occupancy (including any renewal, extension or expansion right and options of such Tenant), lease, sublease or tenancy at the applicable Property to any property or building other than the applicable Property without Lender's prior written consent in its sole and absolute discretion.

"Contract" shall mean, with respect to any Property, (a) any

management, brokerage or leasing agreement or (b) any cleaning, maintenance, service, construction, engineering, architectural or other contract or agreement of any kind (other than Leases) of a material nature (materiality for these purposes to include contracts in excess of \$10,000 or which extend beyond one year (unless cancelable on thirty (30) days or less notice without penalty or premium)), in either case relating to the ownership, leasing, management, use, operation, maintenance, design, demolition, construction, repair or restoration of such Property, whether written or oral.

"control" (and the correlative terms "controlled by" and "controlling") shall mean, with respect to a specified Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or

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policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; provided, however, that, without limiting the generality of the foregoing, (a) any Person (including immediate family members of such Person) which owns, directly or indirectly, securities representing ten percent (10%) or more of the value or ordinary voting power of a corporation or ten percent (10%) or more of the partnership or membership or other ownership interests (based upon value or vote) of any other Person shall always be deemed to control such corporation or other Person, (b) a general partner shall always be deemed to control any partnership of which it is a general partner, and (c) a manager or member-manager of a limited liability company shall always be deemed to control any limited liability company of which it is a manager or member-manager, as the case may be.

"Default" shall have the meaning ascribed thereto in Section 6.1 hereof.

"Default Rate" shall mean a per annum rate of interest equal to the lesser of (a) the sum of five percent (5%) plus the then otherwise applicable Basic Interest Rate per annum and (b) the highest rate permitted by law to be paid.

"Designated Officer" shall mean with respect to any Person (a) if such Person is a corporation, the chief financial officer of such corporation or such other officer of such corporation as is fully familiar with the financial affairs of such Person and is reasonably approved by Lender, (b) if such Person is a partnership, the chief financial officer of such Person's managing general partner or such other officer of such Person's managing general partner as is fully familiar with the financial affairs of such Person and is reasonably approved by Lender, or (c) if such Person is a limited liability company, the chief financial officer of such Person's managing member or such other officer of such Person's managing member as is fully familiar with the financial affairs of such Person and is reasonably approved by Lender.

"Discretionary Expenses" shall mean all Expenses which are not Nondiscretionary Expenses.

"Disqualified Person" shall have the meaning ascribed thereto in Section 3.30 hereof.

"Dollar" or "\$" shall mean lawful money of the United States of America.

"Easements" shall have the meaning ascribed thereto in Section 3.16 hereof.

"Effective Date" shall mean the date on which this Agreement is executed and delivered by Borrower to Lender, as set forth in the introductory paragraph hereof.

"Environmental Covenants and Indemnities" shall mean the covenants set forth in Section 3, and the indemnities set forth in Section 4, of the Hazardous Waste Indemnity.

"Environmental Representations" shall mean the representations set forth in Section 2 of the Hazardous Waste Indemnity.

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"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder from time to time.

"Eurodollar Business Day" shall mean any Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London, England.

"Event of Default" shall have the meaning ascribed thereto in Section 6.1 hereof.

"Existing Loan" shall have the meaning ascribed thereto in the recitals to this Agreement.

"Exit Fee" shall mean an amount payable in connection with the repayment of the Outstanding Principal Balance (but not in connection with any partial prepayment of the Loan except for any partial prepayment which, when combined with any other prepayments made in respect of the Loan, results in the Outstanding Principal Balance being paid off in full) equal to (a) \$120,000.00, if the Obligations are indefeasibly paid and performed in full on or prior to February 28, 2004 and (b) the sum of (i) \$120,000.00, and (ii) the product of (y) \$30,000.00 and (z) the number of months between February, 2004 and the date the Obligations are indefeasibly paid and performed in full, if the Obligations are indefeasibly paid and performed in full on or after March 1, 2004.

"Expenses" shall mean, with respect to any Property, in respect of any Interest Accrual Period, all reasonable and customary costs and expenses actually incurred during such Interest Accrual Period by Borrower or any Borrower Affiliate in respect of the ownership and operation of such Property (as reasonably adjusted by Lender to reflect, inter alia, timing of the payment of expenses and such other factors as Lender shall reasonably determine to be relevant), calculated on a cash basis, including, without limitation (a) Impositions, (b) Insurance Premiums and (c) management fees in an amount not to exceed five percent (5%) of Receipts or such greater percentage as shall be approved by Lender, but expressly excluding, however, (i) costs which under GAAP are properly classified as capital expenditures and not currently expensed, (ii) accounting, and legal fees and disbursements not directly related to the operation of such Property, (iii) payments of principal or interest under the Loan, (iv) leasing commissions, tenant improvements, tenant inducements and allowances and base building work, from time to time (v) amounts expended on items for which reserves have been established previously and (vi) depreciation and amortization.

"Fidelity" shall mean New York Land Services, Inc., as agent for Fidelity National Title Insurance Company of New York.

"Financial Statements" shall mean the financial statements and other documentation required to be delivered pursuant to Section 4.11 hereof.

"First Mandatory Prepayment" shall have the meaning ascribed thereto in Section 2.3(b) hereof.

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"First Mandatory Prepayment Date" shall have the meaning ascribed thereto in Section 2.3.2(b) hereof.

"Flood Insurance" shall have the meaning ascribed thereto in Section 5.1.4 hereof.

"Funding Fee" shall mean the sum of \$300,000.00.

"GAAP" shall mean generally accepted accounting principles as adopted by the American Institute of Certified Public Accountants, consistently applied.

"Governmental Authority" shall mean the United States, the State of New York, the State of Delaware, the State of Maryland, the Commonwealth of Pennsylvania, the State of New Jersey, any jurisdiction in which any of the Collateral is located, and any political subdivision of any of the foregoing, and any agency, department, commission, board, court, bureau or instrumentality of any of the foregoing.

"Guarantor" shall mean Cedar Income Fund, Ltd., a Maryland corporation.

"Guaranty" shall mean that certain Guaranty, dated as of the Effective Date, given by Guarantor in favor of Lender, as the same may hereafter be amended, modified, supplemented, restated or replaced from time to time.

"Hazardous Substances" shall have the meaning ascribed thereto in the Hazardous Waste Indemnity.

"Hazardous Waste Indemnity" shall mean that certain Hazardous Waste Indemnity with respect to the Properties, dated as of the Effective Date, made jointly and severally by Borrower and Guarantor to Lender, as same may be amended, modified, supplemented, restated or replaced from time to time.

"Holdings" shall mean Cedar Center Holdings L.L.C. 3, a Delaware limited liability company.

"Holdings Operating Agreement" means that certain Limited Liability Company Agreement of Holdings effective as of September 14, 2001.

"Impositions" shall mean, with respect to any Property, all real estate taxes, assessments (including, without limitation, all assessments for public improvements or benefits), frontage and sewer rents, water meter charges, charges for public or private utilities, license or permit fees, inspection fees and other governmental levies or payments, of every kind and nature whatsoever,

general and special, ordinary and extraordinary, unforeseen as well as foreseen, which at any time may be assessed, levied, confirmed, imposed or which may become a Lien upon such Property, or any portion thereof, or which are payable with respect thereto, or upon the rents, issues, revenues, income or profits thereof, or on the occupancy, operation, use, possession or activities thereof, whether any or all of the same be levied directly or indirectly or as excise taxes or as income taxes and, except for Lender's Taxes, all taxes, assessments or charges which may be levied on this Agreement or the Note.

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"Improvements" shall mean, with respect to any Property, the buildings and improvements now or hereafter situate on the applicable portion of the Land.

"Indebtedness" shall mean any and all liabilities and obligations owing by any Person to any Person, including principal, interest, charges, fees, reimbursements and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, original, renewed or extended, (a) in respect of any borrowed money (whether by loans, the issuance and sale of debt securities or the sale of any property to another Person subject to an understanding, agreement, contract or otherwise to repurchase such property) or for the deferred purchase price of any property or services (other than trade accounts payable or accrued expenses that are or would be incurred in the ordinary course of business of such Person ("Trade Payables") and payable within ninety (90) days after the date of delivery of the respective property or the rendering of the respective service), (b) as lessee under any leases (other than the Leases) which shall have been or should be, in accordance with GAAP, recorded as capital leases, (c) under direct or indirect guarantees and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise assure any creditor against loss in respect of the obligations of others, (d) in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such indebted Person, or (e) in respect of unfunded vested benefits under plans covered by ERISA or any similar liabilities to, for the benefit of, or on behalf of any employees of such indebted Person.

"Indemnified Parties" shall mean each of Lender, its Affiliates, Assignees, Participants and their respective successors, assigns, partners, members, shareholders, officers, directors, employees, agents and attorneys.

"Insolvent" shall mean (a) the inability of a Person to pay its debts as they become due and/or (b) if the fair value of such Person's debts is greater than the fair value of such Person's assets.

"Insurance Premiums" shall have the meaning ascribed thereto in Section 7.27 hereof.

"Interest Accrual Period" shall mean, with respect to any Payment Date, the calendar month preceding such Payment Date, provided that no Interest Accrual Period shall end later than the Maturity Date (other than for purposes of calculating interest at the Default Rate), and the initial Interest Accrual Period under the Loan shall begin on the Effective Date.

"Land" shall mean those certain tracts or parcels of land more particularly described on Exhibit A-1 through and including Exhibit A-4, attached hereto and made a part hereof.

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"Landlord Work" shall mean any Approved Tenant Improvements required to be performed by Borrower under the related Approved Lease.

"Late Charge" shall have the meaning ascribed thereto in Section 2.7(b) hereof.

"Law Change" shall have the meaning ascribed thereto in Section 2.9(c) hereof.

"Lease" shall mean any lease now or hereafter on or affecting any of the Properties, or any part thereof, whether written or oral, and all licenses and other agreements for the use and/or occupancy of any of the Properties, or any part thereof as the same shall have been or shall hereafter be amended.

"Legal Requirement" shall mean any law, statute, ordinance, order, rule, regulation, decree or other requirement of a Governmental Authority, and all conditions of any Permit.

"Lender" shall have the meaning ascribed to such term in the introductory paragraph of this Agreement.

"Lender's Counsel" shall mean Solomon and Weinberg LLP, located in New York, New York, and any other law firm acting as counsel to Lender.

"Lender's Counsel Fees" shall mean all reasonable fees and disbursements of Lender's Counsel.

"Liability Insurance" shall have the meaning ascribed thereto in Section 5.1.2 hereof.

"Liens" shall have the meaning ascribed thereto in Section 4.3 hereof.

"Limited Partner" shall have the meaning ascribed thereto in Section 3.1.3 hereof.

"Loan" shall have the meaning ascribed thereto in the recitals of this Agreement.

"Loan Amount" shall have the meaning ascribed thereto in the recitals of this Agreement.

"Loan Documents" shall mean this Agreement, the Note, the Hazardous Waste Indemnity, the Guaranty, the Pledge and any other document, assignment or agreement now or hereafter executed by Borrower, or any other Person for the benefit of Lender, evidencing, securing or otherwise relating to the Loan, including, without limitation, all Uniform Commercial Code financing statements in connection with any of the foregoing.

"Loan Taxes" shall have the meaning ascribed thereto in Section 2.9(a) hereof.

"Major Decision" shall mean any decision of or on behalf of any Significant Party (other than Guarantor) to: (a) engage in any business or activity other than as set forth in such Significant Party's Organizational Documents in effect as of the Effective Date; (b) incur any Indebtedness or

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assume or guaranty any Indebtedness of any other Person, other than in connection with any business or activity as set forth in such Significant Party's Organizational Documents in effect as of the Effective Date; (c) voluntarily dissolve or liquidate, in whole or in part; (d) consolidate or merge with or into any other Person or convey or transfer its properties and assets substantially as an entirety to any other Person other than as set forth in such Significant Party's Organizational Documents in effect as of the Effective Date; (e) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, including, without limitation, the Bankruptcy Code, or seek the appointment of a trustee, receiver, liquidator, custodian, examiner or other similar official of it or any substantial part of its property, or consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or make a general assignment for the benefit of creditors, or fail generally to pay its debts as they become due, or take any action to authorize any of the foregoing; or (f) amend such Significant Party's Organizational Documents.

"Major Lease" shall mean any Lease which demises more than ten percent (10%) of the leasable square feet of the applicable Property.

"Manager" and "Managers" shall have the meanings ascribed thereto in Section 4.10(a) hereof, and any replacement thereof pursuant to Section 4.10(a) hereof.

"Mandatory Prepayments" shall have the meaning ascribed thereto in Section 2.3.3(d) hereof.

"Maturity Date" shall mean the day which is the earlier to occur of (a) the Scheduled Maturity Date, (b) the date on which payment of the Obligations shall have been accelerated pursuant to the terms of this Agreement, (c) the date on which Borrower elects in accordance with this Agreement, in a Prepayment Notice, to pay in full the Obligations and (d) the date on which the Outstanding Principal Balance is reduced to \$0.00 by virtue of the payments made pursuant to Section 2.3.2 hereof or otherwise.

"Maximum Amount" shall have the meaning ascribed thereto in Section 2.8 hereof.

"Membership Interests" shall mean (a) the 100% membership interest in Camp Hill and (b) the 100% membership interest in Holdings LLC.

"Mortgage Loan Documents" shall mean, collectively, the Bryant Loan Documents and the Camp Hill Loan Documents.

"Mortgage Loans" shall mean, collectively, the Bryant Loans and the Camp Hill Loan.

"Negative Covenant" shall mean a promise or covenant by any Person to not act, perform, suffer, permit or consent to.

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"Nondiscretionary Expenses" shall mean, with respect to any Property, (a) utilities, wages and benefits of building employees, payments under Contracts for service and maintenance and other Expenses attributable to the maintenance, repair and operation of such Property which are not in the nature of capital expenditures in accordance with GAAP, (b) fees payable pursuant to the applicable Management Agreement, subject to the limitations contained herein, (c) Impositions and (d) Insurance Premiums.

"Note" shall mean that certain Promissory Note dated as of the Effective Date, made by Borrower to Lender, in the original principal amount of \$6,000,000.00, as the same may hereafter be amended, modified, supplemented, increased, consolidated, restated, replaced, split, severed, extended or substituted from time to time.

"Notices" shall have the meaning ascribed thereto in Section 7.6 hereof.

"Obligations" shall mean (a) Borrower's obligation to pay the principal, interest and any other sums payable to Lender in respect of the Loan hereunder, under the Note or any of the other Loan Documents, including, without limitation, all Basic Interest, and (b) as applicable, Borrower's, Guarantor's and any other Significant Party's obligation to perform and observe all of the terms, covenants and provisions of each of the Loan Documents to which each is a party.

"Organizational Documents" shall mean, with respect to any Person who is not a natural person, the certificate or articles of incorporation, memorandum of association, articles of association, trust agreement, by-laws, partnership agreement, limited partnership agreement, certificate of partnership or limited partnership, limited liability company articles of organization, limited liability company operating agreement or any other organizational document, and all shareholder agreements, voting trusts and similar arrangements with respect to its stock, partnership interests, membership interests or other equity interests.

"Outstanding Principal Balance" shall mean, as of any date, the outstanding principal balance of the Loan.

"Participants" shall have the meaning ascribed thereto in Section 7.8.1 hereof.

"Partner" and "Partners" shall have the respective meanings ascribed thereto in Section 3.1.5 hereof.

"Party In Interest" shall have the meaning ascribed thereto in Section 3.30 hereof.

"Payment Date" shall mean January 1, 2003 and the first day of each month thereafter during the Term.

"Permit" shall mean all approvals, consents, registrations, franchises, permits, licenses, variances, certificates of occupancy and other authorizations with regard to zoning, landmark, ecological, environmental, air quality, subdivision, planning, building or land use required by any Governmental Authority for the construction, lawful occupancy and operation of the Improvements and the actual and contemplated uses thereof.

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"Permitted Closing Fees and Costs" shall mean (a) the Funding Fee and (b) the costs and fees in connection with the closing of the Loan described on the closing statement to be executed by Borrower and Lender on the Effective Date.

"Permitted Transfer" shall mean any Transfer (a) to a Permitted Transferee which (i) is made prior to the occurrence of an Event of Default and (ii) does not result in a Change in Control Event, (b) by a Limited Partner of its limited partnership interest in Borrower which does not result in a Change in Control Event, (c) of any publicly traded shares of Guarantor which does not result in a Change in Control Event and (d) to any Person of (i) any additional limited partnership interests in Borrower or (ii) any additional shares in Guarantor, which, in either case, does not result in a Change in Control Event.

"Permitted Transferee" shall mean, at any time after the Effective Date for so long as there shall not have occurred and be continuing any Event of Default and provided that there shall not result therefrom a Change in Control Event, a Transfer by an individual, to (a) such Person's estate, (b) such Person's spouse, parent or child or lineal descendant of such Person's spouse,

parent or child, (c) any trust established for the benefit of such Person or such Person's spouse, parent or child or lineal descendant of such Persons' spouse, parent or child and (d) the legal representative of such Person in the event such Person is no longer legally competent to conduct such Person's affairs.

"Person" shall mean any individual, partnership, corporation (including a business trust), limited liability company, joint stock company, estate, trust, unincorporated association, joint venture or other entity or a government or an agency or political subdivision thereof.

"Pledge" means that certain Pledge and Security Agreement dated as of the Effective Date, made by Borrower in favor of Lender.

"Port Richmond Village Loan" shall mean that certain loan in the original principal amount of \$12,000,000.00, made by The Chase Manhattan Bank to Port Richmond Associates LLC, which loan (a) is secured by, inter alia, a mortgage encumbering the Shopping Center commonly known as Port Richmond Village and (b) was assumed by Port Richmond L.L.C. 1.

"Prepayment Notice" shall have the meaning ascribed thereto in Section 2.6(a) hereof.

"Prohibited Transaction" shall mean a prohibited transaction as described under Section 406 of ERISA or Section 4975 of the Code which is not the subject of a statutory exemption under Section 408(b) of ERISA or an administrative exemption granted pursuant to Section 408(a) of ERISA.

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"Property Insurance" shall have the meaning ascribed thereto in Section 5.1.1 hereof.

"Properties" shall mean, collectively, the Camp Hill Property and the Bryant Shopping Centers.

"Property Owners" shall mean, collectively, Borrower and the Bryant Owners.

"Receipts" shall mean, with respect to any Property, with respect to the applicable periods set forth in this Agreement, all gross receipts, rents, revenues, income, fees, payments and consideration derived from any and all sources in any way, manner or respect relating to and/or arising from such Property including, without limitation, (a) gross fixed, minimum and guaranteed rentals or other sums paid by lessees, sublessees, tenants, subtenants or other occupants, licensees or users of such Property to or for the account or benefit of the applicable Property Owner or any Affiliate thereof, (b) percentage, overage, additional and similar rentals paid by lessees, sublessees, tenants, subtenants or other occupants, licensees or users of such Property to or for the account or benefit of the applicable Property Owner or any Affiliate thereof, (c) amounts paid by lessees, sublessees, tenants, subtenants or other occupants, licensees or users of such Property to or for the account or benefit of the applicable Property Owner or any Affiliate thereof, pursuant to escalation provisions in Leases or other agreements or on account of maintenance, operating and tax expenses for such Property or utility reimbursements, or otherwise, (d) late charges and interest paid to or for the account or benefit of the applicable Property Owner or any Affiliate thereof pursuant to Leases and amounts paid to or for the account or benefit of the applicable Property Owner or any Affiliate thereof as a result of provisions in Leases permitting the landlord thereunder to receive or share in receipt from the subleasing of space demised under, or the assignment of, Leases, (e) automobile parking fees and rentals, if any, other fees, charges or payments, whether or not denominated as rental, but paid to or for the account or benefit of the applicable Property Owner or any Affiliate thereof for or in connection with the rental of any portion of such Property and (f) proceeds of any Property Insurance, Business Insurance or Awards received by or for the account or benefit of the applicable Property Owner or any Affiliate thereof.

"Rent Roll" shall mean, with respect to any Property, each rent roll hereafter delivered to Lender pursuant to Section 4.11 hereof with respect to such Property, each of which must indicate, among other things, whether any Tenant is in arrears in the payment of rent or expense reimbursement obligations under its Lease, and the duration and amount of any such arrears. References in this Agreement to the term "Rent Roll" shall mean and be deemed to refer to the most recent rent roll delivered to Lender, unless the context otherwise requires.

"Required Insurance" shall have the meaning ascribed thereto in Section 5.1.8 hereof.

"Scheduled Maturity Date" shall mean November 30, 2005.

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"Second Mandatory Prepayment Date" shall have the meaning ascribed thereto in Section 2.3.2(d) hereof.

"Security Deposits" shall mean, with respect to any Lease, all security deposits, letters of credit, cash, certificates of deposit, securities, treasury bills, instruments, collateral or other property deposited with the landlord or otherwise for the landlord's benefit as security for the performance by the Tenant of its obligations under such Lease.

"Servicer" shall have the meaning ascribed thereto in Section 2.10 hereof.

"Short Period Interest" shall mean Basic Interest at the Basic Interest Rate on the Outstanding Principal Balance for the period commencing on the date hereof through and including November 30, 2002.

"Significant Party" shall mean each of Borrower, Guarantor and each Manager.

"Surveys" shall mean, collectively, (a) that certain survey of Academy Plaza, dated August __, 2000 (revised June 13, 2001 and September 27, 2001), prepared by John T. Butler, Pennsylvania Registered Professional Land Surveyor No. 27268, as certified to, without limitation, Borrower, Lender, SWH Bryant Member LLC, Academy Plaza L.L.C. 1 and Title Company; (b) that certain survey of Port Richmond Village, dated September 5, 2000 (revised on June 4, 2001 and September 27, 2001), prepared by Langan Engineering and Environmental Services, as certified to, without limitation, Borrower, Lender, SWH Bryant Member LLC, Port Richmond L.L.C. 1 and Title Company; (c) that certain survey of Washington Center, dated October 10, 1996 (revised January 24, 1997; October 31, 1997; September 13, 2000; and June 8, 2001), prepared by Albert N. Floyd & Son, as certified to, without limitation, Borrower, Lender, SWH Bryant Member LLC, Washington Center L.L.C. 1 and Title Company; and (d) that certain survey of Camp Hill Mall, dated September 9, 2002 (revised November 12, 2002), prepared by Daniel Jay Hartman, Registered Professional Land Surveyor No. 048538-E, as certified to, without limitation, Brentway Management, LLC, Fidelity and Lender.

"Tax or Taxes" shall mean any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature and whatever called, by, any Governmental Authority and whenever imposed, levied, collected, withheld or assessed which are not Impositions; provided, however, that "Tax on the overall net income" of a Person shall be construed as a reference to a tax imposed by the jurisdiction in which that Person's principal office (and/or, in the case of Lender, its lending office) is located on all or part of the net income of that Person.

"Tenant" shall mean, with respect to any Property, any tenant, sub-tenant, licensee, concessionaire or occupant of any space located at any of such Property.

"Tenant Allowance(s)" shall mean, with respect to any Property, allowances payable by the applicable Property Owner to a Tenant of such Property (or to contractors on behalf of such Tenant) under an Approved Lease to compensate such Tenant for completed Approved Tenant Improvements.

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"Tenant Work" shall mean, with respect to any Property, any work to be performed for a Tenant at such Property by any Person other than the applicable Property Owner and paid for by the applicable Property Owner pursuant to an Approved Lease on the basis of the progress of completion of such work.

"Term" shall mean the period commencing on the Effective Date and ending on the Maturity Date.

"The Point" shall have the meaning ascribed thereto in Section 4.4(a) hereof.

"Title Company" shall mean New York Land Services, Inc., as agent for Chicago Title Insurance Company.

"Title Policies" shall mean, collectively, (a) that certain title insurance policy in respect of Academy Plaza, dated as of October 9, 2001, issued by Title Company to Academy Plaza L.L.C. 1 under Policy No. 01-2560 A; (b) that certain title insurance policy in respect of Port Richmond Village, dated as of October 9, 2001, issued by Title Company to Port Richmond L.L.C. 1 under Policy No. 01-256013; (c) that certain title insurance policy in respect of Washington Center, dated as of October 9, 2001, issued by Title Company to Washington Center L.L.C. 1 under Policy No. 01-LT-0242; and (d) that certain title insurance policy in respect of the Camp Hill Property, dated as of the Effective Date, issued by Fidelity to Camp Hill LLC under Policy No. 02-PHI-1068SR.

"Trade Payables" shall have the meaning ascribed thereto in the

definition of the term "Indebtedness."

"Transfer" shall have the meaning ascribed thereto in Section 4.2(a) hereof.

"Washington Center Loan" shall mean that certain loan in the original principal amount of \$6,200,000.00, made by Credit Suisse First Boston Mortgage Capital LLC to Washington Center Shops, L.P., which loan (a) is secured by, inter alia, a mortgage encumbering the Shopping Center commonly known as Washington Center and (b) was assumed by Washington Center L.L.C. 1.

"Worker's Compensation Insurance" shall have the meaning ascribed thereto in Section 5.1.6 hereof.

ARTICLE 2
THE LOAN

2.1 Loan Funding. On the Effective Date, subject to the terms and conditions of this Agreement, and relying upon Borrower's representations, warranties, covenants and undertakings set forth in this Agreement and in the other Loan Documents, Lender shall disburse the entire Loan Amount to or on

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behalf of Borrower. The proceeds of the Loan shall be used by Borrower solely for the purpose of (a) paying off the Existing Loan, (b) funding a portion of the equity shortfall in connection with the purchase of the Camp Hill Property by Camp Hill LLC and (c) paying a portion of the Permitted Closing Fees and Costs. Borrower's obligation to repay the Loan shall be evidenced by the Note which shall be due and payable on the Maturity Date.

2.2 Interest Rate. Subject to the further provisions of this Agreement, including, without limitation, Section 2.7(a) hereof, the Outstanding Principal Balance of the Loan shall bear and accrue interest at the applicable Basic Interest Rate from the Effective Date through and until the Maturity Date thereof. Interest at the applicable Basic Interest Rate and interest at the Default Rate payable under this Agreement shall be computed on the basis of a 360-day year and charged for the actual number of days elapsed. In computing the number of days during which interest accrues, the day on which funds are initially advanced shall be included regardless of the time of day such advance is made, and the day on which funds are repaid shall, subject to Section 2.3.5 hereof, be excluded. Upon the payment in full (to the extent applicable) of all amounts due and payable under the Loan Documents, the Note shall be fully extinguished and Borrower shall have no further liability or obligations thereunder; provided, however, that nothing contained in this Section 2.2 or elsewhere in the Loan Documents shall extinguish any liability or obligation of Borrower under this Agreement or any of the other Loan Documents if such liabilities or obligations are intended to survive payment of the indebtedness evidenced by the Note.

2.3 Payments.

2.3.1 Basic Interest. Prior to the Maturity Date, interest accruing on the Outstanding Principal Balance of the Loan during each Interest Accrual Period shall be payable by Borrower monthly in arrears on each Payment Date, subject to the further provisions of this Agreement; provided, however, Borrower shall pay Short Period Interest on the date hereof.

2.3.2 Principal Payments. Prior to the Maturity Date, Borrower shall make principal payments on each Payment Date as follows:

(a) \$50,000.00 on each Payment Date from and including the first (1st) Payment Date through and including the third (3rd) Payment Date;

(b) \$2,000,000.00 (the "First Mandatory Prepayment") on the fourth (4th) Payment Date (the "First Mandatory Prepayment Date");

(c) (i) if Borrower has made the First Mandatory Prepayment on or before the First Mandatory Prepayment Date, (y) \$50,000.00 on each Payment Date commencing on the fifth (5th) Payment Date through and including the twelfth (12th) Payment Date and (z) \$60,000.00 on each Payment Date commencing on the thirteenth (13th) Payment Date through and including the seventeenth (17th) Payment Date or (ii) if Borrower has not made the First Mandatory Prepayment on or before the First Mandatory Prepayment Date, (y)

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\$150,000.00 on each Payment Date commencing on the fifth (5th) Payment Date through and including the twelfth (12th) Payment Date and (z) \$200,000.00 on

each Payment Date commencing on the thirteenth (13th) Payment Date through and including the seventeenth (17th) Payment Date;

(d) \$3,000,000.00 (the "Second Mandatory Prepayment" and, together with the First Mandatory Prepayment, the "Mandatory Prepayments") on the eighteenth (18th) Payment Date (the "Second Mandatory Prepayment Date"); and

(e) (i) if Borrower has made the Second Mandatory Prepayment on or before the Second Mandatory Prepayment Date, \$60,000.00 on each Payment Date commencing on the nineteenth (19th) Payment Date through and including each Payment Date thereafter until the Obligations have been indefeasibly paid and performed in full or (ii) if Borrower has not made the Second Mandatory Prepayment on or before the Second Mandatory Prepayment Date, \$250,000.00 on each Payment Date commencing on the nineteenth (19th) Payment Date and each Payment Date thereafter until the Obligations have been indefeasibly paid and performed in full.

2.3.3 Repayment of Outstanding Principal Balance. The entire Outstanding Principal Balance of the Loan, together with all accrued and unpaid interest thereon, the Exit Fee and all other amounts payable hereunder or under any of the other Loan Documents shall, to the extent not sooner paid pursuant to the terms of the Note and the other Loan Documents, be due and payable in full on the Maturity Date.

2.3.4 Fees.

(a) Exit Fee. The Exit Fee, together with all accrued interest thereon, shall be due and payable in full on the Maturity Date.

(b) Funding Fee. The Funding Fee shall be deemed fully earned and payable in full on the Effective Date.

2.3.5 General. All amounts payable to Lender hereunder (including, without limitation, amounts payable on the Maturity Date pursuant to Section 2.4 hereof) shall be payable, without setoff, deduction or counterclaim, in immediately available funds, no later than 2:00 P.M. New York City time on the date when due by wire transfer to such account or address as Lender may from time to time designate in a written notice to Borrower. Payments received by Lender in immediately available funds on any day after 2:00 P.M. New York City time shall be treated for all purposes of the Loan as having been paid and received by Lender on the next Business Day. Notwithstanding anything to the contrary contained herein, when any payment is due hereunder or under any of the other Loan Documents on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

2.4 Loan Term. The Loan shall mature on the Maturity Date, at which time the Loan shall be due and payable in full. On the Maturity Date, Borrower shall pay to Lender the entire unpaid balance of the Outstanding Principal

Balance of the Loan, together with all accrued and unpaid interest thereon, the Exit Fee and all other amounts payable hereunder or under any of the other Loan Documents, including, if applicable, interest at the Default Rate and Late Charges.

2.5 Change In Law, Etc.

(a) If Lender shall have determined that the applicability of any law, rule, regulation or guideline adopted after the Effective Date pursuant to or arising out of the July 1988 report of the Basle Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards," or the adoption after the Effective Date of any other law, rule, regulation or guideline (including, without limitation, any United States law, rule, regulation or guideline) regarding capital adequacy, or any change becoming effective after the Effective Date in any of the foregoing or in the enforcement or interpretation or administration of any of the foregoing by any court or any domestic or foreign governmental authority, central bank or comparable agency charged with the enforcement or interpretation or administration thereof, or compliance by Lender or its holding company, as the case may be, with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of Lender or Lender's holding company, as the case may be, to a level below that which Lender or its holding company, as the case may be, could have achieved but for such applicability, adoption, change or compliance (taking into consideration Lender's or its holding company's, as the case may be, policies with respect to capital adequacy) (the foregoing being hereinafter referred to as "Capital Adequacy Events"), then, upon demand by Lender, Borrower shall pay to Lender, from time to time, such additional amount or amounts as will compensate Lender for any such reduction suffered.

(b) Any amount payable by Borrower under Section 2.5(a) hereof shall be paid to Lender within five (5) Business Days of receipt by Borrower of a certificate signed by an officer of Lender setting forth the amount due and the basis for the determination of such amount, which statement shall be conclusive and binding upon Borrower, absent manifest error. Failure on the part of Lender to demand payment from Borrower for any such amount attributable to any particular period shall not constitute a waiver of Lender's right to demand payment of such amount for any subsequent or prior period. Lender shall use reasonable efforts to deliver to Borrower prompt notice of any event described in Section 2.5(a) hereof and of the amount to be paid under this Section 2.5 as a result thereof; provided, however, that any failure by Lender to so notify Borrower shall not affect Borrower's obligation to make the payments to be made under this Section 2.5 as a result thereof. All amounts which may become due and payable by Borrower in accordance with the provisions of this Section 2.5 shall constitute additional interest hereunder and shall be secured by the Loan Documents.

(c) If Lender requests compensation for any losses or costs to be reimbursed pursuant to any one or more of the provisions of Section 2.5(a) hereof, then, upon request of Borrower, Lender shall use reasonable efforts, in

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a manner consistent with such institution's practice in connection with loans like the Loan in question, to designate a different lending office for funding or booking the Loan in question or to assign its rights and obligations under this Agreement to another of its offices, branches or Affiliates if such designation or assignment, in Lender's sole but good faith judgment, (i) would eliminate, mitigate or reduce amounts payable by Borrower in connection with Capital Adequacy Events and (ii) would not be otherwise prejudicial to Lender. Borrower hereby agrees to pay all reasonably incurred costs and expenses incurred by Lender in connection with any such designation or assignment.

2.6 Prepayment.

(a) Borrower may voluntarily prepay the Loan, in whole or in part, provided that, (i) Borrower has given Lender written notice (a "Prepayment Notice") of such prepayment not more than thirty (30) days and not less than ten (10) days prior to the date of such prepayment and (ii) such prepayment is accompanied by (A) all interest accrued and unpaid on the Outstanding Principal Balance to and including the date of such prepayment and (B) all other amounts, if any, then due and payable hereunder and under the other Loan Documents; provided however, that, if at the time such prepayment is made Lender has not received six (6) full months of Interest at the Basic Interest Rate on the original principal balance of the Loan (the "Minimum Interest Amount"), then, in addition to any other amount payable by Borrower to Lender, Borrower shall pay to Lender on the date of such prepayment an amount equal to the difference between (A) the Minimum Interest Amount and (B) the amount of interest on the Loan previously paid to Lender (the "Minimum Interest Payment"). Notwithstanding the foregoing, no Minimum Interest Payment shall be payable by Borrower with respect to any payments made by Borrower pursuant to Section 2.3.2 hereof.

(b) Mandatory prepayments made in connection with the application of insurance proceeds or condemnation awards shall be paid in the amounts and at the times specified in this Agreement.

(c) In addition to all other payments to be made by Borrower hereunder or under the other Loan Documents, Borrower shall make the Mandatory Prepayments as required by Section 2.3.2:

2.7 Default Interest; Late Charge.

(a) If any payment of principal, interest or other sum payable hereunder, or under any of the other Loan Documents, is not paid when due (after the expiration of any applicable notice or cure periods), or all principal, interest and all other amounts due hereunder and under the other Loan Documents are not paid in full on the Maturity Date, such principal amount, interest or other sum shall bear interest at the Default Rate, which Default Rate shall so apply from the date such amount was due until the date such amount is indefeasibly paid to Lender. Without limiting the foregoing, upon the occurrence of, and during the continuance of, an Event of Default, the entire Outstanding

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Principal Balance of the Loan shall bear interest at the Default Rate. Interest at the Default Rate shall be paid immediately upon demand, which demand may be made as frequently as Lender shall elect.

(b) If any monthly installment of interest or principal is not paid within five (5) Business Days after the date when due, or if any other amount payable hereunder or under any other Loan Document is not paid when due, Borrower shall pay to Lender a late charge of five percent (5%) of the amount so

overdue (a "Late Charge") in order to defray part of the expense incident to handling such delinquent payment or payments. Such late charge shall be immediately due and payable without notice or demand by Lender. Such late charge shall be in addition to, and separate from, any increase in interest due hereunder as a result of calculation of interest due hereunder at the Default Rate. Acceptance by Lender of any late charge or interest at the Default Rate shall not be deemed a waiver of any of Lender's rights hereunder or under the other Loan Documents with respect to such late payment.

2.8 Maximum Amount of Interest. It is the intention of Borrower and Lender to conform strictly to the usury and other laws relating to interest from time to time in force, and all agreements between Borrower and Lender, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration or maturity or otherwise, shall the amount paid or agreed to be paid to Lender, or collected by Lender for the use, forbearance or detention of the money to be loaned under the Note, this Agreement or otherwise, or for the payment or performance of any covenant or obligation contained herein or in any of the other Loan Documents or in any other document evidencing, securing or pertaining to the Loan, exceed the maximum amount of interest allowable under applicable law (the "Maximum Amount"). If under any circumstances whatsoever fulfillment of any provision hereof or of any other Loan Document, at the time performance of such provision shall be due, shall involve transcending the Maximum Amount, then ipso facto, the provisions of this Section 2.8 shall govern and control and the obligation to be fulfilled shall be reduced to the Maximum Amount. For the purposes of calculating the actual amount of interest paid and or payable, in respect of laws pertaining to usury or such other laws, all amounts paid or agreed to be paid to Lender for the use, forbearance or detention of the Loan shall, to the extent permitted by applicable law, be amortized, allocated and spread from the date of disbursement of the proceeds of the Loan until payment in full of the Loan, so that the actual rate of interest on account of the Loan is uniform throughout the Term. If under any circumstances Lender shall ever receive an amount deemed interest by applicable law, which would exceed the Maximum Amount, such amount that would be excessive interest under applicable usury laws shall be deemed a payment in reduction of the Outstanding Principal Balance and shall be so applied and not to the payment of interest, or if such excessive interest exceeds the Outstanding Principal Balance of the Loan, such excessive interest shall be deemed to have been a payment made by mistake and shall be refunded to the Borrower or to any other Person making such payment on the Borrower's behalf. Neither Borrower nor any of the other Persons required to pay any amounts with respect to the Loan shall have any action or remedy against Lender for any damages whatsoever, or any defense to enforcement of this Agreement, the Note or any of the other Loan Documents, arising out of the payment or collection of any interest in excess of the Maximum Amount.

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2.9 Loan Taxes.

(a) Any and all payments by Borrower to Lender hereunder and under the other Loan Documents shall, provided that Lender complies with the requirements of Section 2.9(c) hereof, be made free and clear of, and without deduction for, any and all future taxes, levies, imposts, deductions, charges, withholdings or liabilities with respect thereto, except for the following, for which Borrower shall not be responsible: (i) taxes imposed on or measured by Lender's net income or net receipts and or (ii) franchise taxes imposed on Lender by the jurisdiction in which (A) Lender is organized, (B) Lender is "doing business" (unless such determination of "doing business" is made solely as a result of Lender's interest in the Loan and the security therefor) or (C) Lender's applicable lending office is located (all such taxes, levies, imposts, deductions, charges or withholdings and liabilities (except those described in the foregoing clauses (i) and (ii) immediately above), collectively, the "Loan Taxes"). If Borrower shall be required by any law adopted after the Effective Date to deduct or withhold any Loan Taxes from or in respect of any sum payable hereunder or under any other Loan Document, then (I) any such sum payable hereunder or under any other Loan Document shall be increased as may be necessary so that after making all required deductions or withholdings (including deductions applicable to additional sums payable under this Section 2.9), Lender receives an amount equal to the sum it would have received had no such deductions or withholdings (including deductions applicable to additional sums payable under this Section 2.9) been made, (II) Borrower shall make such deductions or withholdings, and (III) Borrower shall pay the full amount deducted or withheld to the relevant taxing authority in accordance with applicable law. Borrower will indemnify Lender for the full amount of any Loan Taxes (including, without limitation, any Loan Taxes (as well as taxes described in clauses (i) and (ii) of the second preceding sentence) imposed by any jurisdiction after the Effective Date on any amounts payable under this Section 2.9) paid or payable by Lender and any liability (including, without limitation, penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Loan Taxes were correctly or legally asserted. A certificate as to the amount of such payment or liability delivered to Borrower by Lender shall be conclusive absent manifest error. The agreements and obligations of Borrower contained in this Section 2.9 shall survive the payment in full of

principal and interest under this Agreement, the Note and other Loan Documents.

(b) Within thirty (30) days after the date of any payment of Loan Taxes withheld by Borrower in respect of any payment to Lender, Borrower will furnish to Lender the original or a certified copy of a receipt or other evidence satisfactory to Lender evidencing payment thereof.

(c) If Lender is a U.S. Person (other than the lender originally named herein), Lender shall deliver to Borrower, upon request, a Form W-9 (unless it establishes to the reasonable satisfaction of Borrower that it is otherwise eligible for an exemption from backup withholding tax or other withholding tax). If Lender is not a U.S. Person, Lender shall deliver to

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Borrower, upon request, a Form W-8 and either (i) a Form 1001 which indicates a 0% rate of tax or (ii) a Form 4224. If Lender is not a U.S. Person, Lender further undertakes to deliver to Borrower additional Forms W-8, 1001, 4224 (or any successor forms) or other manner of certification, as the case may be, (A) on or before the date that any such form expires or becomes obsolete, (B) after the occurrence of any event requiring a change in the most recent form previously delivered by it to Borrower, and (C) such extensions or renewals thereof as may reasonably be requested by Borrower, certifying that Lender is entitled to receive payments hereunder without deduction or withholding of any Loan Taxes. However, in the event that any change in law, rule, regulation, treaty or directive, or in the interpretation or application thereof (a "Law Change"), has occurred prior to the date on which any delivery pursuant to the preceding sentence would otherwise be required which renders such form inapplicable, or which would prevent Lender from duly completing and delivering any such form, or if such Law Change results in Lender being unable to deliver a Form W-9 (or other satisfactory evidence that it is otherwise eligible for an exemption from backup withholding tax or other withholding tax), Lender shall not be obligated to deliver such forms but shall, promptly following such Law Change, but in any event prior to the time the next payment hereunder is due following such Law Change, advise Borrower in writing whether it is capable of receiving payments without any deduction or withholding of Loan Taxes. In the event of such Law Change, Borrower shall have the obligation to make Lender whole and to "gross-up" under Section 2.9(a) hereof, despite the failure by Lender to deliver such forms.

(d) If Lender receives a refund in respect of Loan Taxes paid by Borrower, it shall promptly pay such refund, together with any other amounts paid by Borrower pursuant to Section 2.9(a) hereof in connection with such refunded Loan Taxes, to Borrower; provided, however, that Borrower agrees to promptly return such refund to Lender if it receives notice from Lender that it is required to repay such refund. Nothing contained herein shall be construed to require Lender to seek any refund and Lender shall have no obligation to Borrower to do so.

(e) All amounts payable under this Section 2.9 shall constitute additional interest hereunder and shall be secured by the Loan Documents. The provisions of this Section 2.9 shall survive any payment or prepayment of the Loan.

(f) Any reference under this Section 2.9 to "Lender" shall be deemed to include any Participant and any Assignees.

2.10 Servicing. The Loan may, in Lender's sole and absolute discretion, be serviced by a third party loan servicer (together with any successor servicer selected by Lender in its sole discretion, the "Servicer"). Lender may change the Servicer from time to time without the consent of Borrower, on notice to Borrower; provided, however, that Borrower shall not be required to pay the fees charged by Servicer.

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ARTICLE 3
CERTAIN REPRESENTATIONS AND WARRANTIES OF BORROWER

As an inducement to Lender to enter into this Agreement and to make the Loan, Borrower hereby represents and warrants as follows, which representations and warranties shall be true and correct on and as of the Effective Date, shall survive the Effective Date and shall be deemed restated during the Term and, as restated, shall remain true and correct in all material respects until payment in full and/or performance, as applicable, of the Obligations, except to the extent there exist any changes in facts or circumstances which, pursuant to the terms of this Agreement or the other Loan Documents, are permitted to have occurred:

3.1 Borrower Organization, Enforceability, Etc.

3.1.1 Borrower Status. Borrower (a) is a limited partnership, duly formed, validly existing and in good standing under the laws of the State of Delaware; (b) is in good standing under the laws of, and is authorized to transact business in, all jurisdictions where it conducts business; (c) has all requisite power and authority to own and operate the Membership Interests and to carry on its business as now being conducted; and (d) has full right, power and authority to execute and deliver to Lender this Agreement and the other Loan Documents to which it is a party and perform the obligations and carry out the duties imposed upon Borrower by this Agreement and the other Loan Documents. All Loan Documents to be executed by Borrower have been (or, prior to their execution and delivery, will have been) duly authorized, approved, executed and delivered by all necessary parties and constitute (or, upon execution and delivery, will constitute) the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms. Borrower holds all licenses, certificates and permits from all applicable Governmental Authorities necessary for the ownership of the Membership Interests and the conduct of business in order to prevent any materially adverse effect on the Membership Interests or the ability of Borrower to perform under the Loan Documents.

3.1.2 Guarantor/General Partner Status. Guarantor (a) is a corporation duly formed, validly existing and in good standing under the laws of the State of Maryland; (b) is in good standing under the laws of, and is authorized to transact business in, all jurisdictions where it conducts business; (c) has all requisite power and authority to own its properties and to carry on its business as now being conducted; (d) is the sole general partner of Borrower, and owns a twenty-nine percent (29%) partnership interest in Borrower, free and clear of all liens, claims, and encumbrances, except as otherwise contemplated or permitted under this Agreement, and does not own any legal or beneficial ownership interest in any other Person; (e) has full right, power and authority to execute and deliver this Agreement and the other Loan Documents on its own behalf and on behalf of Borrower; and (f) shall have full right, power and authority to make all material business decisions for Borrower during the Term.

3.1.3 Status of Limited Partners. In addition to Guarantor, as of the date hereof, the only other partner in Borrower is Cedar Bay Company, a New York general partnership (the "Limited Partner"), which Limited Partner is solely a limited partner of Borrower.

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3.1.4 Status of Borrower Affiliates. Each of the Borrower Affiliates (a) is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, (b) is in good standing under the laws of, and is authorized to transact business in, all jurisdictions where it conducts business and (c) has all requisite power and authority to own and operate its respective Property or its respective membership interest in the applicable Bryant Owner, as applicable, and to carry on its business as now being conducted. Each Borrower Affiliate has all licenses, certificates and permits from all applicable Governmental Authorities necessary for the ownership of its respective Property or its respective membership interest in the applicable Bryant Owner, as applicable, and the conduct of business in order to prevent any materially adverse effect on its respective Property or its respective membership interest in the respective Bryant Owner, as applicable.

3.1.5 No Other Partners. Guarantor and the Limited Partner (collectively, the "Partners" and, each, individually, a "Partner") are the sole partners of Borrower.

3.1.6 Structure of Borrower and the Bryant Owners. The structural charts of Borrower, each of the Bryant Owners and Camp Hill LLC set forth on Exhibit D-1 through and including Exhibit D-5 attached hereto and made a part hereof are true, complete and correct in all respects.

3.1.7 Guarantor. All Loan Documents executed by Guarantor constitute the legal, valid and binding obligations of Guarantor, enforceable against Guarantor in accordance with their respective terms.

3.2 Address For Borrower Entities. The principal place of business of each Borrower Entity is at the address first set forth above for Borrower, and shall not be changed during the Term without giving Lender at least thirty (30) days' prior notice thereof. No Borrower Entity uses any trade name and no Borrower Entity has or will do any business under any other name.

3.3 Organizational Documents. A true and complete copy of the Organizational Documents of each Borrower Entity have been furnished to Lender. The Organizational Documents of each Borrower Entity constitute the entire agreement among the members or the partners thereof, as applicable, and are binding upon and enforceable against the members or the partners thereof, as applicable, in accordance with their respective terms. There are no other agreements, written or oral between such members or the partners, as applicable, relating to any Borrower Entity except any agreements to which Lender is also a party. No party is in default of its obligations under the Organizational

Documents of any Borrower Entity and no condition exists which, with the giving of notice and/or the passage of time, or both, would constitute a default under the Organizational Documents of any Borrower Entity.

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3.4 Guarantor's Organizational Documents. A true and complete copy of the Organizational Documents of Guarantor have been furnished to Lender. The Organizational Documents of Guarantor constitute the entire agreement relating to Guarantor and are binding upon and enforceable against the shareholders of Guarantor in accordance with their respective terms. There are no other agreements, oral or written, between the shareholders of Guarantor, relating to Guarantor. No party is in default of its obligations under the Organizational Documents of Guarantor and no condition exists which, with the giving of notice and/or the passage of time, or both, would constitute a default under the Organizational Documents of Guarantor.

3.5 Title. Fee simple title to each Property is owned by the applicable Property Owner free and clear of all liens, claims, encumbrances, covenants, conditions, restrictions, security interests and claims of others, except for the Mortgage Loan Documents and the Approved Permitted Encumbrances

3.6 Uses Each of the Bryant Shopping Centers is used solely as a shopping center. The Camp Hill Property is used solely as a regional mall.

3.7 No Structural Defects There are no structural defects in the Improvements on any of the Properties, or material defects to the building systems thereof.

3.8 Compliance with Zoning, Etc.

(a) Each Property complies in all material respects with all applicable Legal Requirements. Any zoning or subdivision approval for each Property is based on no real property, or rights appurtenant thereto, other than such Property. Each Property as improved and used is not in material violation of any recorded and, to the best knowledge of Borrower, unrecorded air rights, parcel leases, covenants, conditions or restrictions of any kind or nature affecting all or any part of any Property, or any interest therein. The Improvements on each Property can be fully rebuilt in the event of casualty or destruction thereof under the Permits applicable to such Property, subject, however, to discretionary requirements of any Governmental Authority. No amendment or change in any such material Permit, and no amendment or change in zoning or any other land use control, has been sought or obtained by any Borrower Entity or shall be sought or obtained by any Borrower Entity with respect to any of the Properties or the Improvements on any of the Properties, except as specifically approved in writing by Lender.

(b) All Permits required by any Governmental Authority for the operation of the Improvements on each of the Properties as currently operated, or otherwise required to be in compliance with any

(c) Laws or any other Legal Requirements, have been obtained. The copy of the certificate of occupancy for each Property delivered to Lender prior to the date hereof is a true and correct copy of the permanent certificate of occupancy for such Property, each of which permanent certificate of occupancy remains in full force and effect, and is not subject to any conditions or limitations, other than those of general applicability to all certificates of occupancy for commercial uses in the jurisdiction in which each such Property is located.

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(d) Borrower has heretofore delivered to Lender true, correct and complete copies of each material Permit.

(e) There are no pending or, to the best knowledge of Borrower, threatened actions, suits or proceedings to revoke, attack, invalidate, rescind or modify the zoning of any Property, or any material Permits issued with respect to any Property or any part thereof, or asserting that any Property or the zoning of any Property do not permit the use of any such Property as contemplated by the Loan Documents.

3.9 No Condemnation. Neither Borrower nor any Borrower Affiliate has received any notice of, and to the best knowledge of Borrower, there does not exist, any actual, proposed or threatened exercise of the power of eminent domain or other taking by any governmental or quasi-governmental body or agency, of all or any portion of any Property, or any interest therein, or any right of access thereto.

3.10 No Casualty. None of the Improvements on any of the Properties have suffered any material casualty or damage which has not been fully repaired and the cost thereof fully paid.

3.11 Purchase Options. None of the Properties or any part thereof is subject to any purchase options or other similar rights in favor of any Person.

3.12 No Encroachments. There are no material encroachments on the Land and the Improvements on the Properties do not encroach upon any Easement, any other interest in real property, any adjoining land or any adjoining street, except as set forth on the applicable Survey.

3.13 Litigation. There are no actions, suits, proceedings, arbitrations, tenant disputes, labor disputes or governmental investigations pending, or, to the best knowledge of Borrower, threatened against or affecting Borrower, any other Significant Party or any Borrower Affiliate or any Affiliate thereof, or any of the Properties which, if adversely determined, (a) could have a material adverse effect on Borrower, any other Significant Party, any Borrower Affiliate or any of the Properties, or any such Person's ability to perform its obligations pursuant to and as contemplated by the Loan Documents or the Mortgage Loan Documents, as applicable, (b) might affect the validity or enforceability of any of the Loan Documents or the priority of the Liens created thereby or (c) could adversely affect the use of, operations at, or capital improvements being made to, any of the Properties. No Borrower Entity or Significant Party is operating under, or is subject to, any order, writ, injunction, decree or demand of any court or any Governmental Authority. No actions, suits, proceedings or arbitrations are pending or, to the best knowledge of Borrower, threatened against Borrower, any other Significant Party or any Borrower Affiliate or any Affiliate thereof which involve claims, damages or sums of money not covered (including all applicable deductibles) by insurance.

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3.14 No Conflict with Law or Agreements. The execution and delivery of this Agreement and the other Loan Documents, and the performance and consummation of the transactions, contemplated hereby and thereby, on the part of Borrower and all other Significant Parties (as applicable) and fulfillment of the terms of the Loan Documents by Borrower and all other Significant Parties (as applicable) (a) do not and will not conflict with, violate, or constitute a default (or a condition or event which, after notice or lapse of time, or both, would constitute such a default) under any provision of any Organizational Document or any contractual obligation of Borrower or any other Significant Party, or any Legal Requirement or any court decree or order applicable to any Property, Borrower or any other Significant Party, (b) will not result in, or require, the creation or imposition of any lien or encumbrance on, or conveyance of, any of Borrower's properties pursuant to any contractual obligation and (c) do not require the consent or approval of any Governmental Authority or other Person, except for consents and approvals already obtained.

3.15 Personal Property. All equipment and other personal property necessary for (or otherwise actually used in connection with) the proper and efficient operation and maintenance of each Property, the actual and contemplated uses of each Property, and each Borrower Affiliate's compliance with its obligations under the applicable Leases, are owned by the applicable Borrower Affiliate and constitute part of the applicable Property and located thereat, other than (a) any such equipment which is owned by a utility company or (b) any such equipment and personal property which is owned by Tenants and utilized solely by such Tenants.

3.16 Easements; Access; Utilities. All easements, cross easements, licenses, air rights, rights-of-way or other similar easements (collectively, "Easements") if any, necessary for the full utilization of the Improvements on each Property for its current use have been obtained, are described in the Title Policies and are in full force and effect without default thereunder. Each Property has direct rights of access to public ways and is served by water, sewer, sanitary sewer and storm drain facilities adequate to service such Property for its intended use. All public utilities necessary or convenient to the full use and enjoyment of each Property are located either in the public right of way abutting such Property (which are connected so as to serve such Property without passing over other property) or in recorded easements serving such Property and described in the applicable Title Policy. All roads necessary for the use of each Property for its current purposes have been completed and are available for public use.

3.17 No Flood Hazard, Etc. Except as set forth in the Surveys, (a) no Property is situated in an area designated as having special flood hazards as defined by the Flood Disaster Protection Act of 1973, as amended, or designated a wetlands by any Governmental Authority having jurisdiction over any Property or (b) one or more of the Property(ies) is(are) situated in an area designated as having special flood hazards as defined by the Flood Disaster Protection Act of 1973, as amended, or as a wetlands by any Governmental Authority having jurisdiction over such Property(ies), but the applicable Property Owner(s) has(have) obtained and paid for, and there is currently in effect, the flood insurance comprising a part of the Required Insurance. No portion of any Property is located on or adjacent to navigable waters and no portion of any

Property consists of filled-in land.

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3.18 Property Taxed as a Separate Tax Lot. Each Property is taxed as one or more separate and distinct tax lots. No part of any Property shares a tax lot with any adjoining lands and for all purposes each Property may be mortgaged, conveyed and otherwise dealt with as a single, independent parcel.

3.19 Leases.

(a) No Property Owner has entered into any Lease which continues in existence or is bound by any such Lease, other than the Approved Leases.

(b) Rent has not been collected under any of the Leases more than one (1) month in advance of the due date. Except as disclosed on the Rent Rolls attached hereto as Exhibit E-1 through and including Exhibit E-4, the term of each Lease has commenced and the tenant has commenced the full payment of rent under such Lease without the tenant thereunder being entitled to any abatement thereof. Except as disclosed on the Rent Rolls attached hereto as Exhibit E-1 through and including Exhibit E-4, no Property Owner is required to perform any tenant work or pay any work allowances under any Lease. All security and other escrow deposits made under any Lease are being, and have been held, in accordance with all Legal Requirements and the terms of such Lease. Except as disclosed on the Rent Rolls attached hereto as Exhibit E-1 through and including Exhibit E-4, no tenant under a Lease has any right of expansion, extension, cancellation or any other option pursuant to such Leases, and no tenant has any right of set off or reduction against rent.

(c) Each of the Leases has been duly authorized, approved and executed by all parties thereto and constitutes the legal, valid and binding obligations of the parties thereto, enforceable against the parties thereto in accordance with their respective terms. Borrower has delivered true, correct and complete copies of the Leases (including, without limitation, all amendments and supplements thereto and guaranties thereof) to Lender.

(d) Each of the Leases is in full force and effect and there are no monetary or other material defaults by the applicable Property Owner thereunder, and, to the best knowledge of Borrower, except as set forth on the Rent Rolls attached hereto as Exhibit E-1 through and including Exhibit E-4, there are no monetary or other material defaults by any tenant thereunder. No Borrower Affiliate, Manager or any other Person acting on any Borrower Affiliate's behalf has given or received any notice of default under any of the Leases that remains uncured or in dispute, and no Property Owner is intending to deliver such a notice of default within the thirty (30) days following the date hereof.

(e) Borrower has delivered to Lender true, correct and complete copies of all guaranties of Leases and all such guaranties are in full force and effect and constitute the legal, valid and binding obligations of the parties thereto, enforceable against such parties in accordance with their respective terms.

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(f) The Rent Rolls attached hereto as Exhibit E-1 through and including Exhibit E-4 are true, correct and complete in all material respects.

(g) The Rent Rolls attached hereto as Exhibit E-1 through and including Exhibit E-4 set forth a true, correct and complete list of all security deposits made by tenants at each Property which have not been applied (including accrued interest thereon), all of which are held by the applicable Property Owner in accordance with the terms of the applicable Lease and all applicable Legal Requirements.

(h) Except as set forth on Exhibit E-1 through and including Exhibit E-4, to the best of Borrower's knowledge, each tenant under a Lease is free from bankruptcy or reorganization proceedings.

(i) No tenant under any Lease (or any sublease) is an Affiliate of Borrower or any Borrower Affiliate, except as disclosed otherwise on Exhibit F attached hereto and made a part hereof.

(j) There are no brokerage fees or commissions due and payable in connection with the leasing of space at any Property, except as has been previously disclosed to Lender in writing, and no such fees or commissions will become due and payable in the future in connection with the Leases existing on the Effective Date, including by reason of any extension of such Lease or expansion of the space leased thereunder.

3.20 Environmental. The Environmental Representations are true and correct in all material respects.

3.21 Access Laws. Each Property is in compliance in all material respects with all of the requirements of the Access Laws.

3.22 No Default. No Significant Party or Borrower Affiliate is in default under this Agreement, any other Loan Document or any Mortgage Loan Document, as applicable.

3.23 No Offsets. Borrower has no counterclaims, offsets or defenses with respect to the Loan, the Note or any other Loan Document.

3.24 Fraudulent Conveyance. Borrower (a) has not entered into the transactions contemplated by this Agreement and the other Loan Documents with the actual intent to hinder, delay, impede or defraud any creditor and (b) has received reasonably equivalent value in exchange for its respective obligations under this Agreement, the Note and the other Loan Documents. Giving effect to the transactions contemplated by the Loan Documents, the fair salable value of Borrower's assets exceeds, and will, immediately following the execution and delivery of the Loan Documents and each advance of the proceeds thereof, exceed, Borrower's total probable liabilities, including, without limitation, the maximum amount of its subordinated, unliquidated, disputed or contingent liabilities. Borrower's assets do not and, immediately following the execution and delivery of the Loan Documents and each advance of the proceeds thereof, will not, constitute unreasonably small capital to carry out its business as

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conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including, without limitation, contingent liabilities and other commitments) beyond its ability to pay such debts and liabilities as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of Borrower).

3.25 Broker. No broker or consultant has been retained by Borrower or any Affiliate of Borrower in connection with the Loan or the Loan Documents other than Milt Ciplet of Ekstein Rothenberg Corp. ("Broker"), which Broker Borrower shall pay in full as of the Effective Date pursuant to a written agreement between Borrower and Broker. Borrower hereby indemnifies, defends and holds the Indemnified Parties harmless from and against all loss, cost, liability and expense arising from the claims of all brokers and consultants relating to the Loan with whom Borrower, any other Significant Party or any Affiliate thereof or any employee or agent thereof has dealt, including, without limitation, Broker and all other sales, mortgage or leasing brokers or consultants.

3.26 Financial Statements. All financial statements of each Borrower Entity and each Significant Party heretofore delivered to Lender in connection with the Loan are true and correct in all material respects and fairly present the financial condition of the subjects thereof as of the respective dates thereof, and no material adverse change has occurred in the financial condition reflected therein, or the operations or business of, such Persons since the respective dates of the most recent financial statements delivered to Lender.

3.27 No Insolvency. None of Borrower, any other Significant Party or any Borrower Affiliate is Insolvent, and none of the foregoing Persons will be rendered Insolvent by the execution of this Agreement, the Note or any of the other Loan Documents or by the consummation of the transactions contemplated hereby and thereby.

3.28 Fiscal Year. The fiscal year of each Borrower Entity commences on January 1.

3.29 No Other Financing. No Borrower Entity has borrowed any funds which have not heretofore been repaid in full, except for the Loan and the Mortgage Loans, as applicable.

3.30 ERISA. The execution, delivery and performance of this Agreement and the other Loan Documents do not constitute a Prohibited Transaction, assuming solely for this purpose that Lender is a party in interest as defined in Section 3(14) of ERISA ("Party In Interest") or a disqualified person as defined in Section 4975(e)(2) of the Code ("Disqualified Person") with respect to an employee benefit plan, if any, which has directly or indirectly invested in any Borrower Entity or in any Person holding an ownership interest therein. Each Borrower Entity has made, and shall continue to make, all required contributions to all employee benefit plans, if any, within the time periods required by the applicable provisions of ERISA and any other federal or state law, and neither Borrower nor Guarantor has any knowledge of any material liability which has been incurred by any thereof which remains unsatisfied for any taxes or penalties with respect to any employee benefit plan or any multi-employer plan. Each such plan has been administered in compliance with its terms and the applicable provisions of ERISA and any other federal or state law.

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3.31 FIRPTA. No Borrower Entity or Significant Party is a "foreign person" within the meaning of Sections 1445 or 7701 of the Code.

3.32 PUHCA. No Borrower Entity or Significant Party is a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" as defined in the Public Utility Holding Company Act of 1935, as amended.

3.33 Insurance. All Required Insurance is in full force and effect and the premiums due thereon have been paid in full. Each Borrower Affiliate and each of the Properties is in compliance with the provisions of the policies of such Required Insurance, and no notice of cancellation, termination or default has been received with respect to any such policy.

3.34 Securities Laws. None of the transactions contemplated in this Agreement the other Loan Documents will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulations issued pursuant thereto, including, without limitation, Regulations G, T, U and X of the Board of Governors of the Federal Reserve System. None of Borrower, any other Significant Party or any Borrower Affiliate owns or intends to carry or purchase any "margin security" within the meaning of said Regulation G. The proceeds of the Loan have not been used to purchase or refinance any borrowing, the proceeds of which were used to purchase any "security" within the meaning of the Securities Exchange Act of 1934, as amended.

3.35 Investment Company Act. None of Borrower, any other Significant Party or any Borrower Affiliate is (a) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (b) subject to any other United States federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

3.36 Taxes; Impositions. Each Significant Party and each Borrower Entity has filed all Federal, state and local tax returns required to be filed prior to the date hereof and all taxes, charges and assessments shown to be due from all such parties on such tax returns have been paid or have been legally and validly extended. All Impositions due and owing in respect of, and affecting any Property have been paid. There are no pending, or to the best of Borrower's knowledge, proposed special or other assessments for public improvements or otherwise affecting any Property.

3.37 Full and Accurate Disclosure. No statement of fact made by any Significant Party or any Borrower Entity in this Agreement or in any other Loan Document or in any Mortgage Loan Document, as applicable, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained herein or therein not misleading. There is no

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material fact presently known to Borrower which has not been disclosed to Lender which adversely affects, nor as far as Borrower can foresee, might adversely affect, any Property or the business, operations or condition (financial or otherwise) of any Significant Party or any Borrower Affiliate, other than with regard to market risk inherent in projecting future operations.

3.38 Contracts.

(a) No Borrower Entity has entered into, or is bound by, any Contract which continues in existence, except the Approved Contracts.

(b) Each of the Contracts is in full force and effect, there are no monetary or other material defaults by any Borrower Entity thereunder and, to the best knowledge of Borrower, there are no monetary or other material defaults thereunder by any other party thereto. No Significant Party or any other Person acting on behalf of any Borrower Entity has given or received any notice of default under any of the Contracts that remains uncured or in dispute.

(c) There has been delivered to Lender true, correct and complete copies of the Contracts (including all amendments and supplements thereto).

(d) No Contract has as a party an Affiliate of any Significant Party or any Borrower Affiliate.

3.39 Other Obligations and Liabilities. No Significant Party or Borrower Affiliate has any liabilities or other obligations that arose or accrued prior to the date hereof that, either individually or in the aggregate, could have a material adverse effect on any such Person's ability to perform their respective obligations under this Agreement, the other Loan Documents or the Mortgage Loan Documents, as applicable, or any of such Person's Organizational Documents, or any other obligations that any of them may have in connection with the ownership and operation of the Properties. No Significant Party or Borrower Affiliate has any known contingent liabilities.

3.40 Documents. Borrower has furnished or has caused to be furnished to Lender a true and complete copy of all material documents relating to each Significant Party, each Borrower Affiliate, the Loan and the Properties which a reasonably prudent institutional Lender, making a loan or loans in a similar amount and on similar terms as the Loan, would want to have the opportunity to review prior to agreeing to make such loan or prior to agreeing to any of the material terms thereof.

3.41 No Strikes. There are no strikes or other labor disputes or grievances pending or threatened against any Property, Borrower, any other Significant Party or any Borrower Affiliate.

3.42 Consumer Credit Laws; Usury. The indebtedness evidenced by the Loan, including interest, fees and charges, (a) is a business loan, (b) is an exempted transaction under the Truth in Lending Act, 15 U.S.C. 1601 et seq., and (c) does not and will not, violate the provisions of the consumer credit laws or usury laws of any applicable jurisdiction.

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ARTICLE 4
CERTAIN COVENANTS OF BORROWER

Borrower hereby covenants and agrees with Lender as follows:

4.1 Payment and Performance of Obligations. Borrower shall pay and otherwise perform the Obligations in accordance with the terms of the Loan Documents.

4.2 Transfers.

(a) Except for a Permitted Transfer as expressly provided in this Section 4.2 hereof, Borrower shall not, and shall not permit or cause any Borrower Affiliate to, directly or indirectly, sell, assign, convey, mortgage, pledge, hypothecate, encumber, grant a security interest in, exchange or otherwise dispose of, or grant any option or warrant with respect to, directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record (each of the foregoing being herein referred to and constituting a "Transfer"), all or any part of any Property, or any part thereof or any interest therein, or any of the revenues to be earned therefrom, or suffer, consent to or permit the foregoing, without, in each instance, the prior written consent of Lender which may be granted or withheld in Lender's sole discretion. Except for a Permitted Transfer, Borrower shall not permit any owner, directly or indirectly, of a legal or beneficial interest in Borrower or any Borrower Affiliate to Transfer such interest, either of record or beneficially, whether by Transfer of stock, assignment of partnership or membership interest or other Transfer of legal or beneficial interest in Borrower or any Borrower Affiliate, or in any direct or indirect owner thereof, or otherwise permit any new or additional legal or beneficial ownership interests in Borrower or any Borrower Affiliate or any direct or indirect owner to be issued, without, in each instance, the prior written consent of Lender which may be granted or withheld in Lender's sole discretion.

(b) To the extent that Lender elects to consent to any Transfer as to which its consent is required hereunder, Lender shall be entitled to condition its consent on such matters as Lender may elect, in its sole discretion, including, without limitation, execution of instruments of assignment and assumption with respect to the Loan Documents and the Collateral therefor, payment of a transfer fee or other consideration, delivery of certificates and affidavits and indemnities, including an affidavit and indemnification in respect of Code Sections 1445 and 7701, agreements restricting actions which may or may not be taken by any transferee or its owners or restrictions in any such Person's Organizational Documents with respect thereto, additional or replacement security for the Loan, restrictions as to the use of any consideration paid for such Transfer, and opinions, including without limitation, opinions regarding the assumptions of obligations hereunder, substantive consolidation and such other matters as Lender may reasonably require. Within three (3) Business Days after the closing of any Transfer, whether or not such Transfer required Lender's consent, if (i) any of

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the Properties or any part thereof or any interest therein or (ii) any direct or indirect ownership interest in Borrower or any Borrower Affiliate is transferred, Borrower shall provide Lender with a copy of the deed or other instrument of Transfer to any transferee. Borrower shall promptly after request therefor provide Lender with such other information and documentation with respect to such Transfer as Lender shall reasonably request, including, without limitation, information as to the ownership of such transferee.

(c) Upon the occurrence of any Transfer, the provisions of this Section 4.2 shall continue to apply to such transferee (including, without limitation, any Permitted Transferee) as if it were the transferor hereunder,

and any consent by Lender permitting a transaction otherwise prohibited under this Section 4.2, or any right of Borrower or any other Person to Transfer without such consent, shall not constitute a consent to or waiver of any right, remedy or power of Lender to withhold its consent on a subsequent occasion to a transaction not otherwise permitted by the provisions of this Section 4.2. Notwithstanding the giving of any consent hereunder by Lender, Borrower shall not engage in any Prohibited Transaction.

4.3 Liens. No Borrower Entity shall create, suffer or permit to exist any mortgage, pledge, lien, security interest (including, without limitation, a purchase money security interest), encumbrance, charge, attachment, levy, distraint or other judicial process (collectively, "Liens") on, of or against, or otherwise affecting, all or any portion of any Property (including, without limitation, fixtures and other personal property), or any other property of any Borrower Entity (whether tangible or intangible and now owned or hereafter acquired) in favor of any Person other than Lender, without the prior written consent of Lender (which consent may be granted or withheld in Lender's sole discretion), other than the Approved Permitted Encumbrances.

4.4 Indebtedness.

(a) No Borrower Entity shall, without Lender's prior written consent, which may be granted or withheld in Lender's sole discretion, create, incur or assume any Indebtedness, other than (i) the Loan or the Mortgage Loans, as applicable, (ii) those certain guaranties and indemnities delivered in connection with the Mortgage Loans, (iii) that certain guaranty in connection with a lease with Giant Supermarket of certain space in the shopping center commonly known as "The Point" and located in Harrisburg, Pennsylvania ("The Point") owned by a subsidiary of Borrower and (iv) Trade Payables in connection with the operation of the Properties, which shall in no event exceed at any one time \$50,000.00 per Property. Each month, together with the other financial statements required to be furnished hereunder, Borrower shall furnish Lender a written statement (certified by a Designated Officer to be true, correct and complete) detailing the Indebtedness then outstanding, including the number of days (in increments of thirty (30) days) that each Trade Payable of each Borrower Entity has been outstanding. No Borrower Entity shall create, incur or assume any other Indebtedness, if doing so would cause Borrower to be in violation of any other provision of this Agreement or the other Loan Documents or would cause any Borrower Entity to be in violation of any of the Loan Documents or any of the Mortgage Loan Documents, as applicable.

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(b) Notwithstanding that any Trade Payables incurred with respect to the Properties are otherwise permitted hereunder, such Trade Payables which become due and payable shall be paid within sixty (60) days following the date on which each such amount is due and payable.

4.5 Compliance with Restrictive Covenants, Etc.

(a) No Borrower Entity shall modify, waive in any material respect or release any Easements, restrictive covenants or other Approved Permitted Encumbrances, or suffer, consent to or permit the foregoing, without Lender's prior written consent, which consent may be granted or withheld in Lender's sole and absolute judgment. Borrower shall cause each Borrower Affiliate to timely comply in all material respects with the terms of all Easements, restrictive covenants and all other Approved Permitted Encumbrances.

(b) Borrower shall cause each Borrower Affiliate to observe and comply with any conditions and requirements necessary to preserve and extend any and all rights, privileges, franchises and concessions that are applicable to any of the Properties, the use and occupancy thereof, or the business conducted thereat, and shall timely comply in all material respects with all regulations, rules, ordinances, statutes, orders and decrees of any Governmental Authority or court applicable to any of them and/or any of the Properties or any part thereof.

(c) Borrower shall cause each Borrower Affiliate to cause the Properties to be maintained in a good and safe condition and repair and shall not remove, demolish or materially alter or suffer, consent to or permit to be removed, demolished or materially altered, the Improvements on any of the Properties except as permitted by this Agreement, without Lender's prior written consent.

4.6 Leases.

(a) Except as permitted pursuant to this Section 4.6, Borrower shall not permit or cause any Borrower Affiliate to enter into, modify, amend, consent to the cancellation or surrender of (except to the extent such cancellation or surrender is by the Tenant pursuant to a pre-existing unilateral right under its Lease) or terminate any Lease whether now existing or hereafter entered into, without the prior written consent of Lender, which may be granted or withheld in Lender's sole discretion. Notwithstanding the foregoing, if (a) Borrower makes the First Mandatory Prepayment in accordance with Section 2.3.2(b) hereof and (b) Camp Hill LLC is required, pursuant to the terms of the

Camp Hill Loan Documents, to obtain the prior written consent of the Camp Hill Lender to take any of the actions described in this Section 4.6(a) with respect to any Leases affecting the Camp Hill Property, then Borrower shall not be required to obtain Lender's prior written consent pursuant to this Section 4.6(a) with respect to Leases affecting the Camp Hill Property so long as no Event of Default shall have occurred, in which case, Lender's prior written consent shall be required hereunder.

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(b) Borrower shall timely cause each Borrower Affiliate to comply with or cause to be timely complied with all material terms and conditions on the landlord's part to be performed under each Lease. Borrower shall cause each Borrower Affiliate to neither do nor neglect to do, nor permit to be done, anything which may cause the termination of any Lease, other than due to the default of the Tenant(s) under such Lease. Borrower shall cause each Borrower Affiliate to not collect any rent or other payment under any Lease more than one (1) month in advance of the due date thereof (except as disclosed on the Rent Rolls) and shall cause each Borrower Affiliate to use its best efforts to require the performance of all of the obligations of Tenants and other Persons bound by the Leases and to enforce the Leases, subject, however, to the limitation on termination described in this Section 4.6.

(c) Borrower may cause each Borrower Affiliate to, without Lender's prior written consent, enter into any Lease which will not be a Major Lease when such Lease comes into effect, provided that each of the following conditions is satisfied: (i) the rent and other material business terms of such Lease are on market terms for similarly situated properties; (ii) the Lease does not provide for the rent to decline at any point during the term of such Lease; (iii) such Lease does not contain any options to purchase or other rights with respect to the ownership of the applicable Property; (iv) such Lease does not contain any restrictions on the landlord's rights to lease remaining portions of the applicable Property, except that such Lease may contain options to lease additional space in the applicable Property on then existing market terms; (v) such Lease does not contain any options for the Tenant thereunder to terminate such Lease, other than in the event of the applicable Borrower Affiliate's failure to deliver possession of the applicable premises or a material casualty or condemnation or the applicable Borrower Affiliate's failure to deliver vacant possession; (vi) such Lease does not contain any extraordinary landlord obligations (including obligations which an unaffiliated landlord would have difficulty performing); (vii) such Lease is entered into on the standard form of Lease which Lender has previously approved, with such non-material changes thereto as a proposed tenant may request and the applicable Borrower Affiliate is willing to agree to; (viii) such Lease is entered into on arms length terms, without consideration of any relationship with any Borrower Entity, any Affiliate of any Borrower Entity, may otherwise have with the Tenant thereunder or any Affiliate thereof; and (ix) the Lease shall contain each of the provisions required by this Section 4.6.

(d) Borrower may permit any Borrower Affiliate, without Lender's prior written consent, to modify or amend any Lease which is not a Major Lease, provided that either (i) such modification or amendment is required to be entered into pursuant to the express terms of such Lease, or (ii) each of the following conditions is satisfied: (A) such amendment or modification is entered into on an arms-length basis without consideration of any relationship of any Borrower Entity or any Affiliate of any Borrower Entity with the Tenant thereunder or any Affiliate thereof; (B) such Lease would not be a Major Lease and would, after such amendment or modification, satisfy the conditions set forth in clauses (ii), (iii), (iv), (v), (vi), (vii) and (ix) of Section 4.6(c)

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hereof; (C) such amendment or modification does not release any party from its liability under the Lease or reduce the square footage demised thereunder; (D) to the extent that any additional space is demised pursuant to such amendment or modification, with respect thereto, such amendment or modification satisfies this Section 4.6(d); (E) such amendment or modification does not reduce the rent paid under the Lease; and (F) such amendment or modification does not otherwise have a material adverse effect on the fair market value of the applicable Property. Borrower may permit any Borrower Affiliate, without the prior written consent of Lender, to terminate any Lease which is not a Major Lease in its good faith exercise of its remedies under such Lease, or at law or in equity, by reason of a material monetary default having continued under such Lease beyond the expiration of applicable cure periods. Without first obtaining Lender's prior written consent, Borrower shall not permit or cause any Borrower affiliate to consent to any assignment or subletting of any Lease unless the consent of the applicable Borrower Affiliate may not be withheld under such circumstances under the terms of the applicable Lease, except that Borrower may permit or cause any Borrower Affiliate to, without Lender's prior written consent, consent to any assignment or subletting which does not release the liability of any

Person then liable thereunder as tenant, guarantor or otherwise if such assignment or subletting is of a Lease which is not a Major Lease.

(e) Each Lease executed by any Borrower Affiliate after the date hereof shall provide, in a manner satisfactory to Lender, for (i) the Tenant thereunder to give a notice to Lender of each material default by the landlord or licensor thereunder, simultaneously with the giving of notice of such default to such landlord or licensor, (ii) Lender to have the right, but not the obligation, to cure any default by the landlord or licensor thereunder after the expiration of the landlord's or licensor's cure period, if any, and (iii) execution and delivery (not more than ten (10) Business Days after a request therefor) of an estoppel certificate reasonably satisfactory to Lender. All actual out of pocket costs and expenses of Lender (including, without limitation, reasonable attorneys' fees and disbursements) in connection with Lender's review of any Lease shall be paid by Borrower within five (5) Business Days after request therefor by Lender. Prior to seeking Lender's consent to any Lease, Borrower shall deliver to Lender a copy of such Lease, blacklined to show the changes from the standard form of Lease previously approved by Lender, together with a detailed term sheet setting forth the material terms of such Lease.

(f) Security Deposits shall not be commingled with any other funds of any Borrower Affiliate and, if cash, shall be deposited at such commercial or savings bank or banks as may be reasonably satisfactory to Lender. Any bond or other instrument which any Borrower Affiliate is permitted to hold in lieu of Security Deposits in the form of cash under any applicable legal requirements (i) shall be maintained in full force and effect in the full amount of such deposits unless replaced by cash deposits as herein above described, (ii) shall be issued by an institution reasonably satisfactory to Lender, and (iii) shall in all respects comply with any applicable Legal Requirements and otherwise be satisfactory to Lender. Borrower shall, upon request, provide Lender with evidence satisfactory to Lender of compliance with the foregoing.

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4.7 ERISA.

(a) In addition to the prohibitions set forth in Section 4.2 hereof, and not in limitation thereof, Borrower shall not, or permit or cause any Borrower Affiliate to, Transfer its interest or rights in this Agreement or the applicable Property, or attempt to do any of the foregoing or suffer any of the foregoing, nor shall any Person owning a direct or indirect interest in any Borrower Entity Transfer any of its rights or interest (direct or indirect) in any Borrower Entity, attempt to do any of the foregoing or suffer any of the foregoing, nor shall any Borrower Entity or any Person owning a direct or indirect interest in any Borrower Entity take, without limitation, any action or fail to take any action, if, in any such case, doing so would (i) cause the Loan or the exercise of any of Lender's rights in connection therewith to constitute a Prohibited Transaction (unless Borrower furnishes a legal opinion reasonably satisfactory to Lender that the same is exempt from the Prohibited Transaction provisions of ERISA and the Code or otherwise does not constitute a Prohibited Transaction), assuming solely for this purpose that Lender is a Party In Interest or a Disqualified Person with respect to an employee benefit plan, if any, which has directly or indirectly invested in any Borrower Entity or Guarantor, or (ii) otherwise result in Lender being deemed in violation of any applicable provisions of ERISA with respect to the Loan. Borrower shall, and Borrower and Guarantor shall cause each Borrower Affiliate to, take such steps as are necessary to assure that each of them (and their respective shareholders, partners and members) does not commit any act, or fail to commit any act, the occurrence of which or the failure of which to occur would cause the Loan to be a Prohibited Transaction.

(b) If the provisions of this Section 4.7 are violated, Borrower agrees, at its own cost and expense, to take such steps as Lender shall reasonably request to prevent the occurrence of a Prohibited Transaction or to correct the occurrence of a Prohibited Transaction. Borrower agrees to indemnify, defend and hold the Indemnified Parties free and harmless from and against all loss, costs (including, without limitation, reasonable attorney's fees and expenses), taxes, penalties, damages and expenses any Indemnified Party may suffer by reason of the investigation, defense and settlement of claims based upon a breach of the foregoing provisions. The provisions of Section 4.7 hereof shall apply to such indemnification. The foregoing indemnification shall survive repayment of the Loan.

4.8 Agreements with Affiliates. From and after the Effective Date, no Borrower Entity shall enter into any contract, agreement or other arrangement with any Affiliate without Lender's prior written consent.

4.9 Books and Records. Borrower shall, and shall cause each Borrower Affiliate to, keep and maintain, or cause to be kept and maintained, at all times at its principal office or the applicable Manager's office, complete, true and accurate books of account and records reflecting the results of its operations. Borrower shall, and shall cause each Manager and each Borrower Affiliate to, permit Lender, its agents, consultants and representatives, upon

reasonable notice (which may be given orally or in writing) and at reasonable times, to examine and audit such books and records and make copies thereof, at Borrower's expense. Borrower shall, and shall cause each Manager, each Borrower

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Affiliate and their Affiliates to, make all records relating to the applicable Property available to Lender and shall cause each Manager to cooperate with any examination, audit or other inquiry (including causing the personnel responsible for the Properties to be available to respond to inquiries).

4.10 Management, Etc.

(a) Each of the Properties shall at all times be managed in a competent and professional manner appropriate for buildings similar to the applicable Property by either Borrower or a prominent professional managing agent approved by Lender (each, a "Manager" and, collectively, the "Managers") pursuant to management agreement(s) with Manager(s) approved by Lender (each, a "Management Agreement"), such approval not to be unreasonably withheld. Lender hereby approves Brentway Management LLC as the initial Manager for each Property. Notwithstanding anything to the contrary herein contained, any third party managing agent, and the terms and conditions of any management agreement therewith, or any amendment or modification of any management agreement theretofore approved by Lender, shall be subject to Lender's prior approval which may be granted or withheld in Lender's reasonable judgment.

(b) Borrower represents it has delivered to Lender a true, correct and complete copy of the Management Agreement for each Property, each of which is hereby approved by Lender; provided, however, that the terms and conditions of any subsequent Management Agreement between any Manager and any Borrower Affiliate, or any amendment or modification of any Management Agreement between any Manager and any Borrower Affiliate, and any compensation of any Manager with respect to its services performed at or in connection with any Property (other than an extension of the existing Management Agreement for compensation which is no greater, and on terms and conditions no less favorable to the applicable Borrower Affiliate, than those contained in the existing applicable Management Agreement) are subject to approval by Lender in its sole but reasonable discretion.

(c) In the event that there shall have occurred and be continuing an Event of Default, then, upon Lender's request, Borrower shall replace the present Manager(s) with one or more managing agents approved by Lender in its sole discretion.

4.11 Financial Statements; Approved Operating Budget, Audit Rights. Until payment in full of the Obligations, Borrower shall cause the following financial statements and information, in form and substance satisfactory to Lender, to be delivered as and when hereinafter provided:

(a) as soon as practicable and in any event within ninety (90) days after the end of each fiscal year of Guarantor and each Borrower Entity, (i) audited statements of financial position (balance sheet) of Guarantor and (ii) statements of financial position (balance sheet) of each Borrower Entity, in each case, as of the end of each such fiscal year during the Term, detailing all receipts in respect of each Property, all expenses in respect of each Property (and, separately delineated, all other recurring and non-recurring expenses in the nature of capital items under GAAP) and retained earnings,

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changes in financial position and cash flows for such fiscal year, which statements shall be duly certified by the Designated Officer of Borrower to fairly represent the financial condition of Guarantor and each Borrower Entity as of the date thereof, prepared in accordance with GAAP and accompanied by an opinion of the Approved Accountants (which opinion shall be unqualified and shall not contain any statement of emphasis) to the effect that such financial statements present fairly, in all material respects, the financial condition of Guarantor and the applicable Borrower Entity as of the end of the fiscal year being reported on and that the results of the operations and cash flows for such year were prepared and are in conformity with GAAP and that the examination of the Approved Accountants in connection with such financial statements has been conducted in accordance with GAAP and included such tests of the accounting records and such other auditing procedures as the Approved Accountants deemed necessary in the circumstances;

(b) promptly and in any event within forty-five (45) days after the end of each fiscal quarter of each Borrower Entity, an unaudited quarterly statement of financial position (balance sheet) of each Borrower Entity, a statement of profits and losses and a calculation of net cash flows for such quarter, including all receipts in respect of each Property and all

expenses in respect of each Property, and a schedule of accounts payable as of the end of such fiscal quarter, such quarterly financial statements to be certified by a Designated Officer of Borrower to fairly represent the financial condition of the applicable Borrower Entity as of the date thereof and to have been prepared and reported on in conformity with GAAP;

(c) promptly and in any event within fifteen (15) Business Days after the end of each calendar month (i) a monthly operating statement, prepared on a cash basis, showing all Receipts, Expenses (and, separately delineated, all other recurring and non-recurring expenses in the nature of capital items under GAAP) and net cash flow for the applicable calendar quarter and year-to-date results and variances from the same month for prior calendar year and from the Approved Operating Budget, and such other matters as Lender shall reasonably require and (ii) monthly Rent Rolls, (dated as of the last day of the applicable calendar month and identifying all current Tenants and the floor and space occupied or leased thereby), the amount of square footage demised under each Lease, the current monthly and annual rent payable under each Lease, the calculated rent per rentable square foot, the commencement and expiration date of each Lease, the Security Deposits held pursuant to each Lease, a description of any termination or expansion options, rental increase dates and amounts, CPI increases (if applicable), escalation and pass-through expense detail (including base year data), any percentage rent formula (and most recently available Tenant sales data if required to be provided by the related Tenant) and such other matters as Lender shall reasonable require), which monthly operating statements and Rent Rolls shall be certified by a Designated Officer of Borrower to be true, correct and complete in all material respects;

(d) not later than each December 15 during the Term, a reasonably detailed cash basis operating budget for each Property covering the calendar year commencing on the following January 1, each of which budgets shall be subject to Lender's approval (each such budget, when so approved, an

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"Approved Operating Budget"). Until Lender shall approve a new budget, the Approved Operating Budget from the prior year shall remain in effect. If as of the beginning of any calendar year any operating budget for such year has not been agreed to as provided above, Borrower shall cause the Borrower Affiliates to operate each Property in accordance with the Approved Operating Budget applicable during the immediately preceding year except (i) to the extent Lender has approved particular Expenses in the proposed operating budget, Borrower shall have the right to cause the Borrower Affiliates to incur and pay such approved Expenses, (ii) Borrower shall have the right to cause the Borrower Affiliates to incur and pay all Nondiscretionary Expenses when due, subject to Lender's right to reject Nondiscretionary Expenses (other than Impositions and Insurance Premiums) which exceed by more than five percent (5%) the amount of such Nondiscretionary Expense in the Approved Operating Budget applicable during the immediately preceding year and (iii) unless specifically approved by Lender, no Discretionary Expenses, capital expenditures, tenant allowances, tenant inducement or leasing commissions shall be incurred or paid. The Approved Operating Budget for each Property for calendar year 2002 is attached hereto as Exhibit G-1 through and including Exhibit G-4 and made a part hereof;

(e) contemporaneously with delivery to the Partners, but in no event later than April 15 of each calendar year during the Term (subject to legally permitted extensions), the annual Form 1065 (with accompanying schedules K-1) prepared by Borrower;

(f) promptly and in any event within fifteen (15) Business Days after the end of each calendar month, a project report setting forth in narrative form the status, with respect to each Property of (i) all leasing activity, including a listing of all leasing leads and a summary of the material terms proposed, accompanied by copies of all term sheets and responses thereto, (ii) all refinancing and construction loan activity, accompanied by copies of all loan requests and proposals and (iii) all predevelopment and development activities, accompanied by copies of all schematic design drawings and site analyses, plans and specifications and design and construction documentation;

(g) from time to time, such other reports and information which Lender reasonably requires, certified by a Designated Officer to be true, correct and complete in all material respects; and

(h) together with each of the financial statements and information required pursuant to clauses (a) through (g) immediately above, inclusive, a certificate of the Designated Officer of Borrower certifying that Borrower has observed and performed, in all material respects, all of its covenants and other agreements contained in this Agreement and the other Loan Documents, whether there exists any Default or Event of Default and, if there is, specifying the nature and period of existence thereof and the action taken or proposed to be taken with respect thereto.

4.12 Maintenance of Taxable/Non-Taxable Status. Borrower shall maintain its status as a company taxable as a partnership for the purposes of federal,

state and local income taxation. Borrower shall cause each Borrower Affiliate to maintain its status as a company taxable as a partnership for the purposes of Federal, state and local income taxation.

4.13 Environmental. Borrower shall cause each Borrower Affiliate to fully and truly comply with and perform or cause to be complied with and performed each of the Environmental Covenants and Indemnities.

4.14 Inspections. Borrower shall cause each Borrower Affiliate to permit Lender and its agents, consultants or representatives, to enter upon the Properties on reasonable notice (which may be given orally or in writing) at reasonable times to inspect the Improvements on the Properties. Lender or its agents, consultants or representatives as part of any inspection may take soil, air, water, building material and other samples, subject to the rights of Tenants under Leases.

4.15 Use of Properties; Zoning Change. Borrower shall not permit or cause any Borrower Affiliate to initiate or acquiesce in a change in the plat of subdivision or zoning classification of any Property without Lender's prior written consent, which consent shall not be unreasonably withheld or delayed.

4.16 Required Insurance. Borrower shall cause each Borrower Affiliate at all times to maintain all Required Insurance pursuant to Section 5.8 hereof.

4.17 Construction.

(a) All Approved Tenant Improvements constituting Landlord Work shall be completed pursuant to Approved Tenant Improvement Plans and Specifications by Approved Tenant Improvement Contractor(s); all Approved Base Building Work shall be completed pursuant to Approved Base Building Work Plans and Specifications by Approved Base Building Work Contractor(s); and all Approved Tenant Improvements constituting Landlord Work and Approved Base Building Work shall be completed in compliance with all applicable Legal Requirements. Borrower shall not permit or cause any Borrower Affiliate to undertake any capital improvements to any portion of any of the Properties which do not constitute Approved Tenant Improvements or Approved Base Building Work.

(b) In addition to all Required Insurance, while performing Approved Tenant Improvements constituting Landlord Work and Approved Base Building Work hereunder, Borrower shall cause the applicable Borrower Affiliate to provide or cause to be provided workers compensation, builder's risk (if required by Lender) and public liability insurance and other insurance required under applicable law in connection therewith. Certified copies of such policies shall be deposited with Lender. The disbursement of monies from any accounts held by Lender, or other acknowledgment by Lender and/or the Servicer of completion of any Approved Tenant Improvements constituting Landlord Work or Approved Base Building Work in a manner satisfactory to Lender, shall not be deemed a certification by Lender or the Servicer that the same has been completed in accordance with applicable building, zoning or other codes, ordinances, statutes, laws, regulations or Legal Requirements of any Governmental Authority. Borrower shall at all times have the sole responsibility for insuring that the foregoing is completed in accordance with all such Legal Requirements.

4.18 Contracts.

(a) Except as permitted in this Section 4.18, Borrower shall not, and shall not permit or cause any Borrower Affiliate to, enter into, modify, amend, consent to the cancellation or surrender of or terminate any Contract, whether now existing or hereafter entered into, without the prior written consent of Lender, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, if (a) Borrower makes the First Mandatory Prepayment in accordance with Section 2.3.2(b) hereof and (b) Camp Hill LLC is required, pursuant to the terms of the Camp Hill Loan Documents, to obtain the prior written consent of the Camp Hill Lender to take any of the actions described in this Section 4.18(a) with respect to any Contracts affecting the Camp Hill Property, then Borrower shall not be required to obtain Lender's prior written consent pursuant to this Section 4.18(a) with respect to Contracts affecting the Camp Hill Property so long as no Event of Default shall have occurred, in which case, Lender's prior written consent shall be required hereunder.

(b) Borrower shall, and shall cause each Borrower Affiliate to, timely comply with or cause to be complied with all material terms and conditions on Borrower's or the applicable Borrower Affiliate's part to be performed under each Approved Contract.

4.19 Report Updates.

(a) Lender shall have the right at any time from time to time throughout the Term to order additional engineering reports with respect to one or more of the Properties. Such additional engineering reports shall be paid for by Borrower in accordance with Section 7.4 hereof; provided, however, that Borrower shall not be required to pay for such additional engineering reports more frequently than once every year with respect to each Property unless (i) an Event of Default has occurred, (ii) any such additional engineering report is required by applicable Legal Requirements to be obtained or (iii) in Lender's sole but good faith judgment, an adverse change in the condition of the applicable Property has occurred.

(b) Lender shall not be liable for any action or inaction by Borrower or any Borrower Affiliate with respect to any repair or replacement recommended in any engineering report, notwithstanding any review or approval of Borrower's or any Borrower Affiliate's method of repair or replacement, as applicable, or any response by Lender.

4.20 Non-Competition. From and after the Effective Date until payment in full of the Obligations, Borrower shall not, and shall not permit or cause any Borrower Affiliate to, engage in any Competitive Business. Notwithstanding the foregoing, Borrower has advised Lender and Lender acknowledges that the Camp Hill Property and The Point are situated in the same market and the operation and management thereof by Borrower and/or its Affiliates shall not be a default hereunder.

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4.21 No Sale or Refinancing. Supplementing the provisions of Sections 4.2 and 4.3 hereof, notwithstanding that either such activity may result in the payment in full of the entire Outstanding Principal Balance and other sums and charges, Borrower shall not, and shall not permit or cause any Borrower Affiliate to, sell or refinance any of the Properties without the prior written consent of Lender.

4.22 Lender's Attorneys' Fees and Expenses. Borrower shall appear in and defend any action or proceeding purporting to affect the security of the Collateral or the security interests granted under any of the Loan Documents, or the rights and powers of Lender under any of the Loan Documents, and Borrower (in addition to Lender's reasonable attorneys' fees and expenses to be paid by Borrower otherwise pursuant to this Agreement or the other Loan Documents) shall pay all of Lender's reasonable attorneys' fees and disbursements in connection with the enforcement of this Agreement and the other Loan Documents and the collection of all amounts payable hereunder and thereunder. In case of any Default under this Agreement or any of the other Loan Documents, or if any action or proceeding is commenced in which it becomes necessary to defend or uphold the Lien or priority of the Pledge or the other Loan Documents, or which adversely affects Lender's interests in the Collateral or any part thereof, including, without limitation, proceedings of any nature involving the bankruptcy, insolvency, arrangement, reorganization or other form of debtor relief with respect to Borrower, any other Significant Party or any Borrower Affiliate or relating to a decedent, then Lender may, but without any obligation to do so, and without releasing Borrower, any other Significant Party or any Borrower Affiliate from any obligation hereunder or under the other Loan Documents, make such appearances, disburse such reasonable sums and take such actions as Lender deems necessary or appropriate to protect Lender's interest in the Collateral. All costs incurred by Lender, including, without limitation, reasonable attorneys' fees and disbursements, in taking any action described above shall be paid by Borrower upon demand, together with interest thereon at the Default Rate from the date paid by Lender through the date of repayment and the same shall be deemed to constitute protective advances evidenced by the Note and secured by the Pledge and the other Loan Documents. In addition to, and without limiting the generality of, the foregoing, if, at any time hereafter, Lender employs counsel (a) for advice or other representation (whether or not any suit has been, or shall thereafter be, filed, and whether or not other legal proceedings have been, or shall thereafter be, instituted, and whether or not Lender shall be a party thereto) with respect to the Loan, this Agreement or any of the other Loan Documents or (b) to protect, collect, lease, sell, take possession of, foreclose upon or liquidate all or any part of the Collateral, or to attempt to enforce any security interest or Lien in all or on any part of the Collateral, or to enforce any rights of Lender or any of Borrower's obligations hereunder or under any of the other Loan Documents, or any obligations of any other Person which may be obligated to Lender by virtue of this Agreement or any other agreement, instrument or document heretofore or hereafter delivered to Lender by or for the benefit of Borrower, then, in any such event, all of the reasonable attorneys' fees and expenses arising from such services, and all expenses, costs and charges relating thereto, shall be paid by Borrower upon demand, together with interest thereon at the Default Rate from the date paid by Lender through the date of repayment, and the same shall be deemed to constitute protective advances evidenced by the Note and secured by the Pledge and other

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Loan Documents. Notwithstanding the foregoing provisions of this Section 4.22,

Borrower shall not be required to pay Lender's attorneys' fees in connection with any collection or enforcement action or proceeding against Borrower or any other obligor under any of the other Loan Documents if Borrower or such other obligor is the prevailing party in such action or proceeding, as determined by a final nonappealable judgment or order of a court of competent jurisdiction.

4.23 Delivery of Estoppel Certificates. Borrower shall, from time to time, within ten (10) Business Days after written request from Lender, furnish to Lender or such other party (or parties as may be requested by Lender) a written certificate setting forth the Outstanding Principal Balance of and interest due on the Loan and any other amounts evidenced or secured by the Loan Documents, stating the date through which interest has been paid and whether or not any offsets, defenses or counterclaims exist with respect to the Loan Documents. If requested, such certificate will also attach true and correct copies of any Loan Documents, and state such other information as Lender shall reasonably require. Upon request of Lender, Borrower shall cause the Manager(s) within ten (10) days after such request to furnish Lender or such other Person(s) as Lender may request, a written certificate certifying as to such matters as Lender may reasonably request.

4.24 Delivery of Notices. Borrower shall promptly, but in no event later than five (5) days after Borrower becomes aware of any of the following events, furnish a written notice to Lender (together with the applicable correspondence and papers relating thereto) specifying the nature and period of existence of such condition or event and, with respect to events described in clause (a) immediately below, what action Borrower is taking or proposes to take with respect thereto (compliance with the provisions of this Section 4.24 shall not be deemed or construed to constitute a waiver of or consent to any Default or Event of Default of which Borrower has given Lender notice pursuant to this Section 4.24):

(a) any Default hereunder or under any of the other Loan Documents, or any Event of Default;

(b) any default or event of default (or any terms of similar import) under any of the Mortgage Loan Documents;

(c) (i) any receipt or delivery by Borrower or any Borrower Affiliate of a notice of default or termination, (ii) any proposed action with respect to any default, (iii) any failure by any Person to perform any material obligation, maintain any material representation or warranty or satisfy any material condition, in each instance, in connection with any Lease, any Management Agreement, any Contract, any Easement, any recorded instrument or any Permit;

(d) the filing of any action, suit or proceeding against or affecting Borrower, any other Significant Party, any Borrower Affiliate, the Collateral or any of the Properties that, if adversely determined, could (i) impair the validity or enforceability of this Agreement or any of the other Loan Documents or the ability of Borrower, any Borrower Affiliate or any other Significant Party to perform their respective obligations hereunder, thereunder

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or under the Mortgage Loan Documents, (ii) have a material adverse effect on the value of any Collateral or the Properties or their respective current use, or (iii) result in a Lien on the Collateral or any of the Properties; and/or

(e) any notice received from any Governmental Authority asserting a violation of any material Legal Requirement and any correspondence to or from Borrower, any other Significant Party, any Borrower Affiliate, or any Manager with respect thereto.

Without limiting the generality of the foregoing, Borrower shall transmit or cause to be transmitted to Lender, immediately upon receipt thereof, any communication (addressed to Borrower, any Borrower Affiliate or any Affiliate of Borrower or any Borrower Affiliate) which relates to matters which could adversely affect Lender's security for the Loan or could have a material adverse effect on the Collateral, any Property, the financial condition of Borrower, any other Significant Party and/or any Borrower Affiliate, and shall promptly respond fully to any inquiry of Lender made with respect thereto.

ARTICLE 5
INSURANCE; CASUALTY AND CONDEMNATION

5.1 Insurance; Coverages. Borrower shall at all times prior to payment or satisfaction in full of the Obligations, cause each Property Owner to obtain in respect of itself and the applicable Property the following policies of insurance, to the extent applicable in Lender's sole discretion, issued by insurance companies and containing terms satisfactory to Lender in its sole discretion:

5.1.1 comprehensive all risk insurance (including coverage for

earthquake subsidence and/or earth movements, if necessary) on the Improvements on the applicable Property and the personal property of the applicable Property Owner (including coverage for earthquake subsidence and/or earth movements, if necessary) or any Affiliate of the applicable Property Owner located on the applicable Property (which may be carried on a blanket basis with other properties provided that the coverages and premiums therefor are separately allocated and stated) including contingent liability from "Operation of Building Laws," "Demolition Costs" and "Increased Cost of Construction" endorsements, in each case (a) in an amount equal to 100% of the "Full Replacement Cost" (which for purposes hereof shall mean actual replacement value exclusive of costs of excavations, foundations, underground utilities and footings), as determined by an appraiser or contractor designated and paid by the applicable Property Owner and reasonably approved by Lender, or by an engineer or appraiser in the regular employ of the insurer, with a waiver of depreciation, (b) containing an "Agreed Amount" endorsement with respect to the Improvements on the applicable Property and personal property of the applicable Property Owner or any Affiliate of the applicable Property Owner located on the applicable Property, waiving all co-insurance provisions, (c) providing for no deductible in excess of \$25,000.00 and (d) containing an "Ordinance or Law Coverage" or "Enforcement" endorsement if any of the Improvements on the applicable Property or the use of the applicable Property shall constitute legal non-conforming structures or uses ("Property Insurance");

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5.1.2 commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the applicable Property ("Liability Insurance"), which Liability Insurance may be carried under one or more insurance policies aggregating the minimum combined single limit hereinbelow described and shall (a) be on the so-called "occurrence" form with a combined single limit of not less than \$2,000,000.00 with at least a \$100,000,000.00 "umbrella" policy, (b) continue at not less than the aforesaid limit until required to be changed by Lender in writing by reason of changed economic conditions making such protection inadequate and (c) cover at least the following hazards: (i) premises and operations, (ii) products and completed operations on an "if any" basis, (iii) independent contractors, (iv) blanket contractual liability for all written and oral contracts and (v) contractual liability covering the indemnities contained in the Loan Documents and the Mortgage Loan Documents to the extent the same is available at commercially reasonable premium rates;

5.1.3 business income or interruption (loss of rents) insurance ("Business Insurance") determined by Lender based on Lender's reasonable estimate of the applicable Property Owner's gross income, (a) with loss payable to Lender, (b) covering all risks required to be covered by the Property Insurance, (c) containing an "Extended Period of Indemnity" endorsement which provides that after the physical loss to the Improvements on the applicable and personal property located on the applicable Property has been repaired, the continued loss of income will be insured until the expiration of not less than two (2) years from the date of the loss, notwithstanding that the policy may expire prior to the end of such period and (d) in an amount equal to 100% of the projected gross income from the applicable Property for a period of two (2) years;

5.1.4 flood hazard insurance ("Flood Insurance") for such portions of the applicable Property as are located in a federally designated "special flood hazard area" and in which flood insurance has been made available under the National Flood Insurance Act of 1968, as amended;

5.1.5 at all times during which any work or construction, repairs or alterations are being made with respect to the Improvements on the applicable Property or on the applicable Property, Insurance, written on a so-called builder's risk completed value form (a) on a non-reporting basis, (b) against all risks insured against under the Property Insurance, (c) including permission to occupy the subject property, and (d) with an "Agreed Amount" endorsement waiving co-insurance provisions ("Builder's Risk Insurance");

5.1.6 if there shall be any employees of the applicable Property Owner on the applicable Property, worker's compensation, subject to the statutory limits of the State in which the applicable Property is located, and employer's liability insurance with a limit of at least \$5,000,000.00 per accident and per disease per employee, and \$5,000,000.00 for disease aggregate in respect of any work or operations on or about the applicable Property or in connection with the applicable Property ("Worker's Compensation Insurance");

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5.1.7 comprehensive boiler and machinery insurance, if applicable, in amounts as shall be reasonably required by Lender ("Boiler Insurance"); and

5.1.8 such other insurance as Lender may reasonably require from time to time (together with the Property Insurance, the Liability

Insurance, the Business Insurance, the Flood Insurance, the Builder's Risk Insurance, the Worker's Compensation Insurance and the Boiler Insurance, as applicable, the "Required Insurance").

5.2 Approved Insurer; Premiums and Policies. The Required Insurance for each Property shall be carried by insurance companies authorized to do business in the State in which the applicable Property is located general policy rating of A or better and a financial class of VI or better by A.M. Best Company, Inc. and be acceptable to Lender. Each Property Owner shall pay the premiums for the Required Insurance as the same become due and payable. Not later than thirty (30) days prior to the expiration date of the Required Insurance, Borrower shall deliver to Lender or cause to be delivered to Lender a renewal policy or policies (evidences of such renewal policy or policies in Acord 27 Form) for the Required Insurance marked "premium paid" or accompanied by other evidence of payment of premium satisfactory to Lender. If at any time Lender is not in receipt of written evidence that all Required Insurance is in force and effect with respect to any Property, Lender shall have the right to take such action as Lender deems necessary to protect its interest in such Property, including, without limitation, the obtaining of such insurance coverage as Lender in its sole discretion deems appropriate, and all expenses incurred by Lender in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand.

5.3 No Separate Insurance. Borrower will not, nor permit or allow any Property Owner to, take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained pursuant to this Section 5.

5.4 Notice of Casualty and Condemnation. Borrower shall give Lender prompt notice of any loss or damage to or taking of any of the Properties.

ARTICLE 6
EVENTS OF DEFAULT

6.1 Events of Default. The term "Default" shall mean any one or more of the events set forth below prior to the expiration of the applicable notice or grace period, if any. The term "Event of Default" shall mean any one or more of the events set forth below after the expiration of the applicable notice or grace period, if any.

6.1.1 Non-Payment. Failure by Borrower to pay (a) any periodic installment of interest or principal or any other regularly scheduled payment within seven (7) days after the same shall become due and payable hereunder or under any other Loan Document, (b) the Outstanding Principal Balance of the Note, together with all interest accrued thereon, the Exit Fee, all Late Charges and all other sums which may then be owed by Borrower to Lender, on the Maturity

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Date or upon prepayment of the Note in full or (c) any other amounts to be paid by Borrower hereunder or under any other Loan Document within ten (10) days from the date on which Lender gives Borrower written notice of such failure. Notwithstanding the foregoing, the failure of Borrower to make the First Mandatory Prepayment on the First Mandatory Prepayment Date and/or the Second Mandatory Prepayment on the Second Mandatory Prepayment Date shall not, in and of itself constitute a default hereunder, provided that, in lieu thereof, Borrower makes a principal payment to Lender in the amount of \$50,000.00 on the First Mandatory Prepayment Date and a principal payment to Lender in the amount of \$60,000.00 on the Second Mandatory Prepayment Date, as applicable.

6.1.2 Affirmative Covenants. Failure by Borrower or any other Person to duly keep, perform and observe any Affirmative Covenant or agreement in this Agreement, the Note or in any other Loan Document (unless the same constitutes a Default under any other subsection of this Section 6.1 or any other Loan Document, in which case the grace or cure period, if any set forth in such other subsection shall govern) within thirty (30) days of Lender's notice thereof; provided, however, that in the event such failure is curable but not reasonably susceptible of cure within such thirty (30) days, and Borrower commences the cure thereof within such thirty (30) days, Borrower's failure to effect such cure within such thirty (30) days shall not constitute an Event of Default if Borrower diligently prosecutes such cure to completion within sixty (60) days of Lender's notice of such failure, but in no event beyond the Maturity Date.

6.1.3 Negative Covenants. If Borrower or any other Person shall breach or otherwise not comply with any Negative Covenant set forth herein or in any other Loan Document (unless the same constitutes a Default under any other subsection of this Section 6.1 or any other Loan Document, in which case, the grace or cure period, if any, set forth in such other subsection shall govern) and such Default shall continue for five (5) days after written notice thereof by Lender to Borrower, provided that no such notice and grace shall be required with respect to a knowing, intentional and willful breach of a Negative

Covenant.

6.1.4 Financial Statements. If any material inaccuracy shall exist in any of the Financial Statements, or in any other financial statement or other information furnished by Borrower or any Designated Officer or any other Person on behalf of Borrower, any Borrower Affiliate or any other Significant Party to Lender pursuant to the provisions of this Agreement or any other Loan Document or to induce Lender to make the Loan or any advance thereunder or to consent to any matter hereunder or under any other Loan Document.

6.1.5 Representations. If, at any time, any representation, warranty or certification made by Borrower or any other Significant Party, as applicable, in this Agreement, the Note or any other Loan Document, or in any document delivered pursuant to any Loan Document, or otherwise delivered in connection with the Loan, shall be untrue, incorrect or misleading in any material respect when made.

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6.1.6 Other Loan Documents. If an "Event of Default" (or any other term(s) of similar import) shall occur under the Pledge or under any other Loan Document (or under any document evidencing or securing or delivered in connection with any loan (other than the Loan) which Lender may hereafter elect to make to Borrower) or any other default (or term(s) of similar import) shall occur and continue beyond the applicable notice or grace period, if any, under or with respect to any Loan Document (or under or with respect to any of the documents evidencing or securing any such other loan).

6.1.7 Demolition or Alterations. Except as otherwise permitted or contemplated herein or in the other Loan Documents, the commencement of demolition of or material alterations to any of the Properties without the prior written consent of Lender, which consent may be granted or withheld by Lender in Lender's sole and absolute discretion.

6.1.8 Failure to Deliver Estoppel Certificate. If Borrower shall fail to deliver any estoppel certificate required by Section 4.23 hereof within the time period provided therein.

6.1.9 Cessation. If Borrower, any Borrower Affiliate or Guarantor ceases to exist.

6.1.10 Transfer. If there shall occur a Transfer or other event prohibited under Section 4.2(a) hereof which is not a Permitted Transfer.

6.1.11 Liens. If, in violation of Section 4.3 hereof, all or any part of any Property and/or the Collateral or any part thereof is mortgaged, pledged or hypothecated or any other Lien is placed thereon.

6.1.12 Involuntary Bankruptcy, Etc. The entry by a court of (a) a decree or order for relief in respect of Borrower, any other Significant Party or any Borrower Affiliate in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (b) a decree or order adjudging Borrower, any other Significant Party or any Borrower Affiliate a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Borrower, any other Significant Party or any Borrower Affiliate under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of Borrower, any other Significant Party or any Borrower Affiliate or of any substantial part of the property of Borrower, any other Significant Party or any Borrower Affiliate or ordering the winding up or liquidation of the affairs of Borrower, any other Significant Party or any Borrower Affiliate and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of sixty (60) days.

6.1.13 Voluntary Bankruptcy, Etc. (a) The commencement by Borrower, any other Significant Party or any Borrower Affiliate of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency,

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reorganization or other similar law, or of any other case or proceeding, to be adjudicated a bankrupt or insolvent, (b) the consent by Borrower, any other Significant Party or any Borrower Affiliate (i) to the entry of a decree or order for relief in respect of Borrower, such other Significant Party or any Borrower Affiliate in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or (ii) to the commencement of any bankruptcy or insolvency case or proceeding against Borrower, such other Significant Party or such Borrower Affiliate, (c) the filing by Borrower, any other Significant Party or any Borrower Affiliate of a petition or answer or consent seeking reorganization or relief under any applicable federal or state bankruptcy, insolvency, reorganization or other

similar law, (d) the consent by any Borrower, any other Significant Party or any Borrower Affiliate to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of Borrower, any other Significant Party or any Borrower Affiliate, or of any substantial part of any property of any Borrower, any other Significant Party or any Borrower Affiliate, (e) the making by any Borrower, any other Significant Party or any Borrower Affiliate of an assignment for the benefit of creditors or (f) the admission by any Borrower, any other Significant Party or any Borrower Affiliate in writing of its inability to pay its debts generally as they become due.

6.1.14 Judgments. If, at any time, a judgment shall be rendered against any Borrower, any other Significant Party or any Borrower Affiliate which, in Lender's good faith determination, could adversely affect the ability of any Borrower, any other Significant Party or any Borrower Affiliate to perform any of its obligations, if any, under this Agreement, the Note, any other Loan Document or any Mortgage Loan Document, as applicable.

6.1.15 Leasing Breach. Except as otherwise expressly permitted under Section 4.6 hereof, if any Lease shall be entered into, amended, modified, cancelled or terminated without the prior written consent of Lender. Except as otherwise expressly permitted under Section 4.6 hereof, if any Lease shall be entered into, amended, modified, cancelled or terminated without the prior written consent of Lender.

6.1.16 Organizational Documents. If at any time any Organizational Document of any Borrower Entity or Guarantor is modified in any material respect without Lender's prior written consent.

6.1.17 Delivery of Financial Statements; Annual Operating Budget. If Borrower or Guarantor shall fail to deliver to Lender any Financial Statement or other report required by Section 4.11 hereof within the time period provided therein and shall fail to cure such default within ten (10) days after notice from Lender.

6.1.18 ERISA. If there shall occur a breach of any of the provisions of Section 4.7 hereof.

6.1.19 Termination of Management Agreement, Etc. If, without Lender's prior written consent, (a) any Manager resigns or is removed or any Management Agreement terminates unless, in the case of a Management Agreement

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with an entity which is not an Affiliate of Borrower, such Management Agreement is replaced within ten (10) Business Days after notice of such resignation, removal or termination with a replacement Management Agreement and Manager satisfying the provisions of Section 4.10 hereof, (b) there is any material change in any Management Agreement without Lender's prior written consent or (c) with respect to any Manager which is an Affiliate of Borrower, the ownership, management or control of such Manager is transferred to a Person which is not an Affiliate of Borrower.

6.1.20 Other Conditions for Acceleration. If there shall occur any condition set forth herein, in the Note or in any other Loan Document permitting Lender to accelerate the Loan.

6.1.21 Prohibited Assignment. If Borrower attempts to delegate its obligations or assign its rights under this Agreement or any of the other Loan Documents, or any interest herein or therein.

6.1.22 Holdings Agreement. If Borrower shall be in default of or violate any of its obligations under the Holdings Agreement.

6.1.23 Mortgage Loan Documents. If an "Event of Default" (or any other term(s) of similar import) shall occur under any of the Mortgage Loan Documents, or any other default shall occur and continue beyond any notice and cure periods applicable thereto under any of the Mortgage Loan Documents.

6.2 Rights upon Event of Default. Upon the occurrence and during the continuance of any Event of Default, Lender shall, in addition to all other remedies conferred upon Lender at law or in equity or by the terms of the Note and the other Loan Documents, have the right, but not the obligation, to pursue any one or more of the following remedies, concurrently or successively, it being the intent hereof that all such remedies shall be cumulative and that no such remedy shall be to the exclusion of any other:

(a) take any action which, in Lender's sole judgment, is necessary or appropriate to effect observance and performance of the covenants, agreements and obligations (under this Agreement and the other Loan Documents) of Borrower or any other Person providing Collateral pursuant to, or obligated to perform any of the terms and provisions of, this Agreement or the other Loan Documents (each, an "Obligated Party");

(b) take any action which, in Lender's sole judgment, is necessary or appropriate to effect observance and performance of the covenants, agreements and obligations under this Agreement and the other Loan Documents;

(c) declare the Note to be immediately due and payable; provided, however, that upon the occurrence of any event specified in Section 6.1.12 or Section 6.1.13 hereof, the Note shall automatically become immediately due and payable, both as to principal and all interest and other amounts due thereunder, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, notwithstanding anything contained herein or in the Note to the contrary;

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(d) use and apply any and all monies deposited by Borrower with Lender, regardless of the purpose for which the same were deposited, to cure any Default or Event of Default, or to apply such monies on account of any Obligations in such manner or order of priority as Lender may determine in its sole and absolute discretion or for any other purposes described herein or in any other Loan Document;

(e) take such actions as Lender shall deem necessary to realize upon any or all of the Collateral, including, without limitation, the institution of foreclosure actions and/or Uniform Commercial Code sales;

(f) institute one or more actions, suits or proceedings at law or in equity for the specific performance of any covenant, condition or agreement contained herein or in the Note or any other Loan Document or for the enforcement of any other appropriate legal or equitable remedy; and/or

(g) setoff against the obligations to Lender of Borrower or any other Obligated Party, any sum owed by Lender or any Affiliate of Lender in any capacity to Borrower or such other Obligated Party, or any property of any of them in the possession of Lender or any Affiliate of Lender.

6.3 Waiver of Stay, Extension and Moratorium Laws, Appraisal and Valuation, Redemption and Marshalling.

(a) Borrower shall not at any time insist upon, or plead, or in any manner whatsoever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of any Collateral, or any part of any thereof, wherever enacted, which may affect the covenants and terms of performance of the Loan Documents, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of any of the Collateral, or any part of any thereof, prior to any sale or sales thereof which may be made pursuant to any provision of any Loan Document, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute to redeem the property so sold, or any part thereof, and Borrower hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Lender, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

(b) In the event that any bankruptcy or insolvency proceeding under any federal, state or local law is filed by or against Borrower, or its assignees or designees at any time prior to payment in full of the Obligations, Lender shall, to the extent permitted by law, be absolutely and unconditionally entitled to relief from any automatic stay imposed with respect to Borrower or its assignees or designees and/or the Collateral by the filing of such

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bankruptcy or insolvency proceeding, including, without limitation, the stay imposed pursuant to Section 362(a) of the Bankruptcy Code, 11 U.S.C. ss. 362(a), effective as of any such filing, without further action by Lender or order of any court, and Lender shall be authorized to exercise all of its rights and remedies with respect to the Collateral, including, but not limited to, commencing one or more foreclosure actions, seeking the appointment of a receiver therein and selling the Collateral, and Borrower hereby irrevocably consents to the foregoing. Without limiting the previous sentence, Borrower hereby irrevocably consents to, shall not oppose or contest, and shall not request or cause any creditors' committee or any party in interest to oppose or contest, any application for relief from the automatic stay or for "adequate protection," as that term is defined in the Bankruptcy Code, which may be filed by Lender in any future bankruptcy or insolvency proceeding with respect to Borrower and/or the Collateral. No other action, inaction or agreement by Lender in any future bankruptcy or insolvency proceeding shall be deemed to be a waiver of the rights given to Lender hereby.

6.4 Preferences; Revival. Lender shall have no obligation to marshal

any assets in favor of Borrower or any other Person or against or in payment of the Loan. To the extent Borrower, or any of them, makes a payment to Lender, which payment or the proceeds or any part thereof are subsequently invalidated, declared to be fraudulent, preferential or avoidable, set aside or required to be repaid to a trustee, receiver or any other party having requisite authority under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the obligation hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received.

ARTICLE 7
GENERAL PROVISIONS

7.1 Rights Cumulative; Waivers.

(a) Each right, power and remedy herein conferred upon Lender herein or in any of the other Loan Documents is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter provided by law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised, concurrently or independently, from time to time as often and in such order as may be deemed expedient to Lender. The exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of Lender in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any Default or acquiescence therein. No act of Lender shall be construed as an election to proceed under any provision herein or in any other Loan Document to the exclusion of any other provision herein. Except as otherwise specifically required herein, notice of the exercise of any right, remedy or power granted to Lender by this Agreement or any other Loan Document is not required to be given. Lender shall be entitled to enforce payment of the Loan and any other amount

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payable under the Loan Documents, and performance of this Agreement and the other Loan Documents, and to exercise all rights and remedies under this Agreement or the other Loan Documents or otherwise at law or in equity, notwithstanding that some or all of the indebtedness secured thereby may now or hereafter be otherwise secured, whether by security agreement, pledge, lien, assignment or otherwise. Neither the acceptance of this Agreement nor its enforcement shall prejudice or in any manner affect Lender's right to realize upon or enforce any other security now or hereafter held by Lender, it being agreed that Lender shall be entitled to enforce this Agreement and any other security now or hereafter held by Lender hereunder, under any of the other Loan Documents or otherwise, in such order and manner as Lender may determine in its absolute discretion.

(b) Lender may, by written notice to Borrower, at any time and from time to time, waive in whole or in part, absolutely or conditionally, any Default or Event of Default hereunder. Any such waiver shall be subject to such conditions or limitations as shall be specified in any such notice. In the case of any such waiver, the rights of Borrower shall be otherwise unaffected, and any Default or Event of Default so waived shall be deemed to be cured and not continuing only to the extent, and only on the conditions or limitations, set forth in such waiver, but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right, remedy or power consequent thereupon.

7.2 Lender's Action for its Own Protection Only. The authority herein conferred upon Lender, and any action taken by Lender, to inspect the Properties, to review and/or approve all documents and instruments submitted to Lender, or otherwise, will be exercised and taken by Lender and by Lender's employees, agents, consultants and representatives for their own protection only and may not be relied upon by Borrower or any other Person for any purposes whatsoever; and neither Lender nor Lender's employees, agents, consultants and representatives shall be deemed to have assumed any responsibility to Borrower or any other Person with respect to any such action herein or under any of the other Loan Documents authorized to be taken by Lender or Lender's employees, agents and representatives. Any review, investigation or inspection conducted by Lender, any architect, engineer or other consultant retained by Lender, or any agent or representative of Lender, in order to verify independently Borrower's satisfaction of the covenants, agreements and obligations thereof under this Agreement or under any of the other Loan Documents, or the validity of any representations and warranties made by Borrower or any other Person (regardless of whether or not the Person conducting such review, investigation or inspection should have discovered that any of such conditions precedent were not satisfied or that any such covenants, agreements or obligations were not performed or that any such representations or warranties were not true) shall not affect (or constitute, except as may specifically be provided in this Agreement or in the other Loan Documents to the contrary, a waiver by Lender of) (a) any representations and warranties under this Agreement or the other Loan Documents

or Lender's reliance thereon or (b) Lender's reliance upon any certifications of Borrower or any other Person in connection with the Loan, or any other facts, information or reports furnished to Lender by Borrower or any other party in connection with the Loan. Lender neither undertakes nor assumes any

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responsibility or duty to Borrower to select, review, inspect, supervise, pass judgment upon or inform Borrower of any matter in connection with any of the Properties, and Borrower shall rely entirely upon its own judgment with respect to such matters, and any review, inspection, supervision, exercise of judgment or supply of information to Borrower by Lender in connection with such matters is for the protection of Lender only and neither Borrower nor any other Person is entitled to rely thereon.

7.3 No Third Party Beneficiaries. All conditions to the obligations of Lender hereunder and under the other Loan Documents are imposed solely and exclusively for the benefit of Lender and its Assignees and Participants, if any, and its or their successors and assigns, and no other Person (other than Servicer) shall have standing to require satisfaction of such conditions in accordance with their terms, or be entitled to assume that Lender will refuse to advance proceeds of the Loan or refuse to agree or consent to any matter in the absence of compliance with any or all thereof, and no other Person (other than Servicer) shall, under any circumstances, be deemed to be the beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Lender at any time if, in its sole discretion, it deems it advisable to do so, it being further understood that Lender and its Assignees and Participants, if any, and its or their successors and assigns shall have no obligation to assure that the Approved Tenant Improvements, Approved Base Building Work or any other work required or contemplated hereby or by the other Loan Documents are properly and/or timely completed.

7.4 Payment of Expenses, etc.

7.4.1 Payment of Expenses. Borrower shall, on the Effective Date and at all times thereafter, pay all costs and fees incurred by Lender in connection with the preparation, negotiation, consummation, execution, administration, repayment, collection and enforcement of the Loan, the Loan Documents and any approval, consent, amendment, modification or waiver related thereto. Without limiting the generality of the foregoing, Borrower shall pay:

- (a) Lender's Counsel Fees in connection with the foregoing;
- (b) all taxes and recording fees and expenses, including, without limitation, stamp and/or mortgage taxes and transfer taxes, if any;
- (c) all fees and out-of-pocket expenses incurred by Lender, including all expenses of Lender and its respective agents and representatives, in connection with any Default hereunder, under the Note or under any other Loan Document or the collection or enforcement thereof;
- (d) all fees and expenses of any environmental, engineering, appraisal, construction, insurance or other consultants retained by Lender in connection with the Loan or the administration, enforcement or collection thereof; and

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- (e) all brokers' fees and commissions in connection with the Loan and any Lease or purchase agreement in respect of any Property.

Without limiting the generality of the foregoing, to the extent that Lender, after the Effective Date, deems it necessary to employ counsel and/or any other consultant for any purpose in connection with the Loan or Lender's interest in the Properties and/or the Collateral, including, without limitation, all future amendments, supplements, notices, recordings, approvals, consents and waivers with respect to the Loan Documents (or any proposal by Borrower therefor), whether or not consummated, the reasonable fees and disbursements of such counsel and/or consultants shall be paid by Borrower. All such fees and expenses shall be paid by Borrower within ten (10) days after demand is made by Lender therefor. Borrower hereby indemnifies, defends and holds Lender harmless from and against any loss, cost (including, without limitation, reasonable attorneys' fees and disbursements) or damage whatsoever incurred by Lender as a result of Borrower's failure to pay any cost or expense contemplated hereby. The provisions of this Section 7.4.1 are not intended to limit any other obligation of Borrower to pay fees and expenses of Lender or other Persons contained herein or in any other Loan Document.

7.4.2 Advances Secured. All costs and expenses incurred and payments made by Lender under this Agreement or any of the other Loan Documents

from time to time, which are to be paid or reimbursed by Borrower as described herein or in any of the other Loan Documents shall, as and when advanced or incurred by Lender, constitute protective advances evidenced by the Note and secured by the Pledge and the other Loan Documents to the same extent and with the same effect as if the terms and provisions of this Agreement were set forth therein, whether or not the Outstanding Principal Balance of the applicable Loan plus such protective advances shall exceed the Loan Amount. If Borrower shall fail to reimburse or pay to Lender the amount of such protective advances by the applicable due date therefor, interest at the Default Rate shall accrue on such protective advances from the date such protective advances were made by Lender to and including the date that such protective advances are reimbursed or paid to Lender in full, together with all such accrued interest thereon.

7.5 Indemnification.

(a) In addition to any other indemnifications provided herein or in the other Loan Documents, Borrower shall protect, defend, indemnify and save harmless the Indemnified Parties from and against all liabilities, obligations, claims, demands, damages, penalties, causes of action, losses, fines, costs, expenses (including, without limitation, reasonable attorneys' fees and disbursements) imposed upon or incurred by or asserted against any Indemnified Party (other than by reason of such Indemnified Party's gross negligence or willful misconduct, as determined to have occurred pursuant to the final nonappealable decision of a court of competent jurisdiction) by reason of (i) ownership or holding of the Pledge, this Agreement, the other Loan Documents or any interest therein or any of the Collateral, including any funds deposited with Lender, (ii) any accident, injury to or death of Persons or loss of or damage to property occurring on or about any of the Properties or any part

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thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways, (iii) any design, construction, alteration, operation, maintenance, use, nonuse or condition of the Properties or any part thereof or on adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways, (iv) any failure on the part of Borrower or any other Significant Party to perform or comply with any of the terms of this Agreement or any other Loan Document, (v) performance of any labor or services or the furnishing of any materials or other property in respect of any of the Properties or any part thereof, (vi) any failure of any of the Properties to comply with any Legal Requirements, (vii) the presence in, at or under any of the Properties of any Hazardous Substances, or any release or discharge on or from any of the Properties of any Hazardous Substances, (viii) any representation or warranty made in the Note, the Pledge, this Agreement or any of the other Loan Documents being false or misleading in any material respect as of the date such representation or warranty was made, (ix) except to the extent any such claims are made solely as a result of any dealings between Lender and any broker, finder or similar person claiming to be entitled to a commission in connection with the Loan, and with whom Borrower has had no dealings with in connection with the Loan, any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with any Lease, or other action involving any of the Properties or any part thereof, (x) the claims of any lessee of any portion of any of the Properties or any person acting through or out of any lessee or otherwise arising out of or as a consequence of any Lease, (xi) any claim that the relationship of Lender and Borrower is other than that of lender and borrower, or (xii) the execution and delivery of this Agreement, and the other Loan Documents, the transactions contemplated hereby or thereby and the performance of the parties hereto of their respective obligations hereunder or thereunder. Any amounts payable to any Indemnified Party by reason of the application of this Section 7.5 shall become immediately due and payable and shall bear interest at the Default Rate from the date loss or damage is sustained by any Indemnified Party until paid. The obligations and liabilities of Borrower under this Section 7.5 shall survive any termination, satisfaction, or assignment of this Agreement and the exercise by Lender of any of its rights or remedies hereunder, including, without limitation, the acquisition of the Collateral by foreclosure or a conveyance in lieu of foreclosure, or otherwise.

(b) In case any claim, action or proceeding (a "Claim") is brought against any Indemnified Party in respect of which indemnification may be sought by such Indemnified Party pursuant to this Section 7.5, such Indemnified Party shall give notice thereof to Borrower; provided, however, that the failure of such Indemnified Party to so notify Borrower shall not limit or affect such Indemnified Party's rights to be indemnified pursuant to this Section 7.5, except to the extent such delay shall materially and adversely prejudice Borrower's defense of such Claim. Upon receipt of such notice of Claim, Borrower shall, at its sole cost and expense, diligently defend any such Claim with counsel reasonably satisfactory to such Indemnified Party, which counsel may, without limiting the rights of Indemnified Party pursuant to the next succeeding sentence, also represent Borrower in such Claim. In the alternative, the Indemnified Parties may elect to conduct their own defense through counsel of their own choosing, and at the expense of Borrower, if (i) the Indemnified Parties reasonably determine that the conduct of its defense by Borrower

presents a conflict or potential conflict between Borrower and Lender that would make separate representation advisable or otherwise could be prejudicial to its interests, (ii) Borrower refuses to defend or (iii) Borrower shall have failed, in Lender's reasonable judgment, to diligently defend the Claim. Borrower may settle any Claim against Indemnified Parties without such Indemnified Parties' consent, provided that (A) such settlement is without any liability, cost or expense whatsoever to such Indemnified Parties, (B) the settlement does not include or require any admission of liability or culpability by such Indemnified Parties under any Legal Requirement, whether criminal or civil in nature, and (C) Borrower obtains an effective written release of liability for such Indemnified Parties from the party to the Claim with whom such settlement is being made, which release must be reasonably acceptable to such Indemnified Parties, and a dismissal with prejudice with respect to all claims made by the party with whom such settlement is being made, with respect to any pending legal action against such Indemnified Parties in connection with such Claim. If the Indemnified Parties are conducting their own defense as provided above, Borrower shall be responsible for any good faith settlement of such Claim entered into by such Indemnified Parties, and such Indemnified Parties shall not be required to obtain the Borrower's consent to any such settlement. Indemnified Parties shall endeavor to keep Borrower reasonably informed as to the status of any Claim and any settlement discussions related thereto; provided, however, the failure to keep Borrower so informed shall not limit or otherwise affect Borrower's liability or the Indemnified Parties' rights hereunder. Nothing contained herein shall be construed as requiring any Indemnified Parties to expend funds or incur costs to defend any Claim in connection with the matters for which such Indemnified Parties are entitled to indemnification pursuant to this Section 7.5.

7.6 Notices. All notices, reports, demands and other communications permitted or required to be given or furnished hereunder ("Notices") shall be in writing and shall be given: (a) by hand delivery; (b) by deposit in the United States mail as first class certified mail, return receipt requested, postage paid; (c) by overnight nationwide commercial courier service; or (d) by facsimile transmission with a confirmation copy to be delivered by duplicate notice in accordance with any of clauses (a) through (c) immediately above, inclusive, in each case, to the Person intended to receive the same at the following address(es):

Lender:

SWH Funding Corp.
Two University Plaza
Hackensack, New Jersey 07601
Attention: Sanford S. Herrick
Facsimile: (201) 343-1523

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with a copy to:

Solomon and Weinberg LLP
685 Third Avenue
New York, New York 10017
Attention: Jay Stark, Esq.
Facsimile: (212) 605-0999

Borrower:

Cedar Income Fund Partnership, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Brenda J. Walker
Facsimile: (516) 767-6497

with a copy to:

Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Stuart H. Widowski, Esq.
Facsimile: (516) 767-6497

Any Person may change the address to which any such Notice is to be delivered by furnishing ten (10) Business Days written notice of such change to the other parties in accordance with the provisions of this Section 7.6. Notices shall be deemed to have been given on the date they are actually received; provided, however, that the inability to deliver Notices because of a changed address of which no Notice was given, or rejection or refusal to accept any Notice offered for delivery shall be deemed to be receipt of the Notice as of the date of such inability to deliver or rejection or refusal to accept

delivery. Notice for either party may be given by its respective counsel.

7.7 No Oral Modification. In order to protect Lender from allegations in connection with the transactions contemplated by this Agreement that some loan officer or administrator of Lender made an oral modification of the Loan or a statement which was interpreted as an extension or modification or amendment of one or more of the Loan Documents, and that Borrower relied to its detriment thereon, Borrower acknowledges that this Agreement, the Note and the other Loan Documents can be extended, modified or amended only in writing executed by Lender and Borrower and that none of the rights or benefits of Lender can be waived permanently except in a written document executed by Lender. Borrower further acknowledges its understanding that no officer, administrator or agent of Lender has the power or the authority from Lender to orally extend, modify or amend the Loan on any Loan Document on behalf of Lender.

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7.8 Assignment by Lender; Participations.

7.8.1 Assignment and Participations. Lender may on or after the Effective Date sell and assign all or any portion of the Loan, to or with one or more Persons as may be selected by Lender in its sole and absolute discretion and on terms and conditions satisfactory to Lender in its sole and absolute discretion ("Assignees"), and/or pledge, hypothecate or encumber all or any portion of the Loan to one or more Persons as may be selected by Lender in its sole and absolute discretion and on terms satisfactory to Lender in its sole and absolute discretion, and/or sell one or more participation interests in the Loan to one or more Persons as may be selected by Lender in its sole and absolute discretion and on terms satisfactory to Lender in its sole and absolute discretion ("Participants"). Borrower and all other Persons associated or connected with the Loan, the Collateral or any Property shall cooperate in all reasonable respects with Lender in connection with the sale of participation interests in, or the pledge, hypothecation or encumbrance or sale of all or any portion of, the Loan, and shall, in connection therewith, execute and deliver such estoppels, certificates, instruments and documents as may be reasonably requested by Lender. Borrower grants to Lender the right to distribute financial and other information concerning Borrower, any other Significant Party, the Borrower Affiliates, the Properties, the Collateral and all other pertinent information with respect to the Loan to any Person who has purchased a participation interest in the Loan, or who has purchased the Loan, or who has made a loan to Lender secured by the Loan or who has expressed an interest in purchasing a participation interest in the Loan, or expressed an interest in purchasing the Loan or the making of a loan to Lender secured by the Loan. If requested by Lender, Borrower shall execute and deliver, and shall cause each other Person associated or connected with the Loan, the Collateral or any Property to execute and deliver, at no cost or expense to Borrower, such documents and instruments as may be necessary to split the Loan into two or more loans evidenced by separate sets of notes and secured by separate sets of other related Loan Documents to the full extent required by Lender to facilitate the sale of participation interests in the Loan or the sale of the Loan or the making of a loan to Lender secured by the Loan, it being agreed that (a) any such splitting of the Loan will not adversely affect or diminish the rights of Borrower as presently set forth herein and in the other Loan Documents and will not increase the respective obligations and liabilities of Borrower or any other Person associated or connected with the Loan or the Collateral, (b) the Loan Documents securing the Loan as so split will have such priority of lien as may be specified by Lender and (c) the retained interest of Lender in the Loan as so split, if any, shall be allocated to or among one or more of such separate loans in a manner specified by Lender in its sole and absolute discretion.

7.8.2 Assignment and Acceptance. From and after the effective date of any assignment to an Assignee, (a) such Assignee shall be a party hereto and to each of the other Loan Documents to the extent of the applicable percentage or percentages assigned to such Assignee and, except as otherwise specified herein, shall succeed to the rights and obligations of Lender hereunder in respect of such applicable percentage or percentages and (b) Lender shall relinquish its rights and be released from its obligations hereunder and under the Loan Documents to the extent of such applicable percentage or percentages. The liabilities of Lender and each of the other Assignees shall be separate and not joint and several. Neither Lender nor any Assignee shall be responsible for the obligations of any other Assignee.

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7.8.3 Other Business. Lender, each Assignee and each Participant and their respective Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, Borrower, any Affiliate of Borrower, and any Person who may do business with or own interests in or securities of Borrower or any such Affiliate, without any duty to account therefor.

7.8.4 Privity of Contract. This Agreement is being entered

into by Lender individually and as agent for all present and future Assignees, and privity of contract is hereby created among Lender and all present and future Assignees, on the one hand, and Borrower, on the other hand.

7.9 Severability. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Agreement, the Pledge or in any other Loan Document shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Note, the Pledge, or in any other Loan Document shall be in no way affected, prejudiced or disbursed thereby.

7.10 No Assignment by Borrower. Borrower shall not assign or transfer any of its rights hereunder without the prior written consent of Lender which may be granted or withheld in Lender's sole discretion. Any assignment made without Lender's prior written consent shall be void.

7.11 Governing Law. This Agreement and the other Loan Documents shall be governed by and construed and enforced in accordance with the laws of the State of New York from time to time in effect, (a) without giving effect to the State of New York's principles of conflicts of law except that it is the intent and purpose of Lender and Borrower that Section 5-1401 of the General Obligations Law of the State of New York shall apply to this Agreement and the other Loan Documents and (b) except to the extent of the procedural and substantive matters relating only to the creation, perfection or foreclosure of liens and enforcement of rights and remedies against the Collateral, or any part thereof, and the establishment of and defense in an action for a deficiency, which matters shall be governed by the laws of the State in which the Collateral is located.

7.12 Successors and/or Assigns. Subject to the restrictions on transfer and assignment contained in this Agreement and the other Loan Documents, whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and/or assigns of such party, and this Agreement shall inure to the benefit of and shall be binding on the parties hereto and the successors and/or assigns of such party.

7.13 Entire Contract. This Agreement and the other Loan Documents, including all annexes, schedules and exhibits hereto and thereto, and all other documents furnished to Lender in connection with this Agreement, constitutes the entire agreement between the parties hereto with respect to the subject matter

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hereof and thereof and shall supersede and take the place of any other instruments purporting to be an agreement of the parties hereto relating to the transactions contemplated hereby, including, without limitation, any term sheet, letter of intent or loan commitment letter.

7.14 Liability. If Borrower hereunder is more than one Person, the obligations and liabilities of Borrower hereunder and under the other Loan Documents shall be joint and several.

7.15 Counterparts; Headings. This Agreement may be executed in counterparts, each of which shall constitute an original, and which, when taken together, shall constitute but one instrument. The captions and headings of the various sections of this Agreement are for purposes of reference only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine and neuter shall be freely interchangeable.

7.16 Time of the Essence. Time is of the essence as to Borrower's obligations under this Agreement and the other Loan Documents.

7.17 Consents.

7.17.1 No Subsequent Consent. Any consent or approval by Lender in any single instance shall not be deemed or construed to be Lender's consent or approval in any like matter arising at a subsequent date. Any consent or approval requested of and granted by Lender pursuant hereto or to any of the other Loan Documents shall be narrowly construed to be applicable only to Borrower and the matter identified in such consent or approval and no third party shall claim any benefit by reason thereof. Wherever this Agreement, the Pledge or any other Loan Document refers to the consent or approval of Lender, or provides that any document or Person will be satisfactory or acceptable to Lender or words of similar import, (a) such consent or approval may be given or withheld by Lender, and such document or Person must be satisfactory or acceptable to Lender, in its sole and absolute discretion, unless otherwise expressly provided herein or therein, and (b) such consent or approval shall not be effective unless given in writing. Wherever this Agreement, the Pledge or any other Loan Document refers to the provision of documents or other items being as Lender may require, provides for the selection by Lender of any Person to provide reports or other items hereunder or thereunder or for the selection by

Lender of any means of determining any matter, or otherwise refers to terms and conditions hereof being as Lender deems appropriate, any such requirement, selection or determination of appropriateness shall be made by Lender in its sole and absolute discretion, unless expressly provided otherwise herein or therein. The foregoing provisions are intended to be effective whether or not the applicable provision hereof or of any other Loan Document specifies that the applicable consent, approval or other matter is to be determined by Lender in its "sole and absolute discretion" or words of similar import.

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7.17.2 Withholding of Consent. Wherever in this Agreement, the Pledge or any other Loan Document, reference is made to any consent or approval not being "unreasonably withheld" or words of similar import, the same shall be deemed to include within its meaning (unless expressly provided otherwise) that if such consent or approval is to be granted, the same will occur within a commercially reasonable period of time. If Borrower believes that Lender has improperly failed to grant its consent or approval (or otherwise improperly failed to act as requested by Borrower as described in Section 7.17.1 hereof (e.g., determined that a document is not acceptable to Lender) hereunder or under the Pledge or any other Loan Document (including, without limitation, by failing to respond within a commercially reasonable period of time) where such consent or approval is required to be given by (or such action which was not taken is in breach of) the terms of this Agreement or such other Loan Document, Borrower's sole remedy shall be to obtain declaratory relief in a final, nonappealable judgment determining such withholding to have been improper, whereupon such consent or approval shall be deemed given (or such other action described in Section 7.17.1 hereof shall be deemed taken), and Borrower hereby waives all claims for damages or set-off resulting from any withholding of consent or approval (or failure to take any other action described in Section 7.17.1 hereof) by Lender.

7.18 No Partnership. Nothing contained in this Agreement or the other Loan Documents shall be deemed to create an equity investment on the part of Lender or a joint venture or partnership between Lender and Borrower, it being the intent of the parties hereto that only the relationship of lender and borrower shall exist with respect to the Collateral. Borrower agrees that it shall report this transaction for income tax purposes, and file all related tax returns, in a manner consistent with the form of this transaction as a loan.

7.19 WAIVER OF JURY TRIAL. BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND UNCONDITIONALLY WAIVES IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF BORROWER, ANY OTHER SIGNIFICANT PARTY OR LENDER RELATING TO THE LOAN, AND THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS AGREEMENT ANY AND EVERY RIGHT BORROWER MAY HAVE TO (I) A TRIAL BY JURY, (II) INTERPOSE ANY COUNTERCLAIM THEREIN (EXCEPT FOR ANY COMPULSORY COUNTERCLAIM WHICH, IF NOT ASSERTED IN SUCH SUIT, ACTION OR PROCEEDING, WOULD BE WAIVED) AND (III) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

7.20 Construction of Provisions. The following rules of construction shall be applicable for all purposes of this Agreement and all documents or instruments supplemental hereto, unless the context otherwise requires:

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(a) All references herein to numbered Articles or Sections or to lettered Exhibits are references to the Articles and Sections hereof and the Exhibits attached to this Agreement, unless expressly otherwise designated in context.

(b) The terms "include," "including" and similar terms shall be construed as if followed by the phrase "without limitation."

(c) The terms "Properties" and "Collateral" shall be construed as if followed by the phrase "or any part thereof."

(d) The term "Obligations" or "obligations" shall be construed as if followed by the phrase "or any other sums secured hereby or by the other Loan Documents, or any part thereof."

(e) Words of masculine, feminine or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa.

(f) The term "provisions," when used with respect hereto or to any other document or instrument, shall be construed as if preceded by the phrase "terms, covenants, agreements, requirements, conditions and/or."

(g) All Article, Section and Exhibit captions herein are used for convenience of reference only and in no way define, limit or describe the scope or intent of, or in any way affect, this Agreement.

(h) No inference in favor of, or against, any party shall be drawn from the fact that such party has drafted any portion hereof.

(i) The cover page of, and all recitals set forth in, and all Exhibits to, this Agreement are hereby incorporated in this Agreement.

(j) All obligations of Borrower hereunder shall be performed and satisfied by or on behalf of Borrower at Borrower's sole cost and expense.

7.21 Limitation on Liability. In no event shall Lender be liable to Borrower or any Related Party for consequential or other damages, whatever the nature of a breach by Lender of its obligations under this Agreement or any of the other Loan Documents and Borrower for itself and all Related Parties hereby waives all claims for consequential or other damages.

7.22 Jurisdiction, Venue, Service of Process. ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT, THE NOTE OR ANY OTHER LOAN DOCUMENT SHALL BE TRIED AND LITIGATED, AT LENDER'S OPTION, IN STATE OR FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK UNLESS SUCH ACTIONS OR PROCEEDINGS ARE REQUIRED TO BE BROUGHT IN ANOTHER COURT TO OBTAIN SUBJECT MATTER

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JURISDICTION OVER THE MATTER IN CONTROVERSY. BORROWER WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS, TO ASSERT THAT IT IS NOT SUBJECT TO THE JURISDICTION OF SUCH COURTS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE HERewith. IN ANY ACTION AGAINST BORROWER, SERVICE OF PROCESS MAY BE MADE THEREUPON BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESS(ES) ABOVE SET FORTH, WHICH SERVICE SHALL BE DEEMED SUFFICIENT FOR PERSONAL JURISDICTION AND SHALL BE DEEMED EFFECTIVE SEVEN (7) BUSINESS DAYS AFTER MAILING. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST BORROWER IN ANY OTHER JURISDICTION.

7.23 Rule of Construction. This Agreement and the other Loan Documents shall not be construed more strictly against a party solely because this Agreement or such Loan Documents may have been prepared by counsel for such party, it being agreed that each of Lender and Borrower have contributed substantially and materially to the preparation of this Agreement and the other Loan Documents.

7.24 Further Assurances.

(a) Borrower shall, at its sole cost and expense, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, conveyances, notes, mortgages, assignments, security agreements, financing statements and assurances as Lender shall from time to time reasonably require or reasonably deem advisable (i) to effectuate the intent and purposes of this Agreement and the other Loan Documents, (ii) for the better assuring, conveying, mortgaging, assigning and confirming unto Lender of all property and rights mortgaged, granted, bargained, alienated, confirmed, pledged, hypothecated, conveyed or assigned by this Agreement or any of the other Loan Documents or which Borrower may be or may hereafter become bound to convey or assign to Lender, (iii) for the perfection of any such lien or security interest granted herein or in the other Loan Documents and (iv) for the better assuring and confirming of all of Lender's rights, powers and remedies hereunder. Borrower, on demand, shall execute and deliver, and hereby authorizes Lender to execute in the name of Borrower or without the signature of Borrower to the extent Lender may lawfully do so, one or more financing statements, chattel mortgages or other instruments to evidence more effectively the security interest of Lender in the Collateral.

(b) Borrower forthwith upon the execution and delivery of this Agreement and thereafter, from time to time, shall cause the financing statements evidencing the liens and security interests created by and pursuant to the Pledge and the other applicable Loan Documents upon the Collateral and each instrument of further assurance to be filed in such manner and in such places as may be required by any present or future Legal Requirement in order to

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publish notice of and fully to protect the Lien created pursuant to the Pledge and the other Loan Documents upon, and the interest of Lender in, the Collateral. Borrower will pay all filing fees and all expenses incident to the foregoing and all taxes, duties, assessments and charges of any Governmental

Authority arising out of or in connection with the execution and delivery of the Pledge, any other security instrument, any instrument of further assurance or any other Loan Document. Upon Lender's request, Borrower shall, from time to time, furnish Lender with evidence reasonably satisfactory to Lender that the Collateral is free of Liens and security interests (except as expressly permitted hereunder), including, without limitation, searches of applicable public records.

(c) Upon any failure by Borrower, to do so, Lender may make, execute, record, file, re-record or refile any and all such instruments, certificates and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints (which appointment is coupled with an interest and with full power of substitution) Lender the agent and attorney-in-fact of Borrower to do so, and Borrower shall reimburse Lender, on demand, for all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection therewith.

7.25 Recitals. The Recitals set forth at the beginning of this Agreement are hereby incorporated into the substantive provisions of this Agreement.

7.26 Effect of Environmental Representations and Covenants and Indemnities. The Environmental Representations and the Environmental Covenants and Indemnities are continuing representations, warranties, covenants and indemnities for the benefit of Lender and any successors and assigns of Lender, including, without limitation, any purchaser at a foreclosure sale, any transferee of the title of Lender or any other purchaser at a foreclosure sale, and any subsequent owner of the Collateral, and shall survive the termination of this Agreement, and/or any acquisition of title to the Collateral or any part thereof by Lender, or anyone claiming by, through or under Lender, by deed in lieu of foreclosure or otherwise.

[SIGNATURE PAGE FOLLOWS]

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

LENDER:

SWH FUNDING CORP.,
a New Jersey corporation

By:

Name: Sanford S. Herrick
Title: Vice President

BORROWER:

CEDAR INCOME FUND PARTNERSHIP, L.P.,
a Delaware limited partnership

By: Cedar Income Fund, Ltd.,
a Maryland corporation,
General Partner

By:

Name: Leo S. Ullman
Title: President

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ACKNOWLEDGMENTS

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

On the ___ day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Sanford S. Herrick, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument

Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point, said point being the right-of-way intersection of the southern right-of-way line of Trindle Road and the western right-of-way line of South 32nd Street; thence along the western right-of-way line of South 32nd Street, South 40 degrees 33 minutes 00 seconds East, a distance of 134.51 feet to a point; thence along the same, South 10 degrees 26 minutes 00 seconds East, a distance of 461.34 feet to a point; thence along the same, South 11 degrees 48 minutes 00 seconds East, a distance of 870.92 feet to a point; thence along land of Commonwealth of Pennsylvania, Ramp "H" Harrisburg Expressway the following seven (7) courses: (1) South 78 degrees 12 minutes 00 seconds West, a distance of 14.00 feet to a point; thence (2) on an arc of a curve curving to the right having a radius of 394.00 feet, an arc length of 368.30 feet to a point; thence (3) South 41 degrees 45 minutes 28 seconds West, a distance of 511.18 feet to a point; thence (4) South 56 degrees 19 minutes 00 seconds West, a distance of 198.36 feet to a point; thence (5) along an arc of a curve curving to the right having a radius of 364.00 feet, an arc length of 247.77 feet to a point; thence (6) South 05 degrees 19 minutes 00 seconds West, a distance of 16.00 feet to a point; thence (7) North 84 degrees 41 minutes 00 seconds West, a distance of 86.77 feet to a point; thence along land now or late of Pennsylvania Real Estate Investment Trust the following four (4) courses: (1) North 24 degrees 49 minutes 00 seconds West, a distance of 99.92 feet to a point; (2) thence North 65 degrees 11 minutes 00 seconds East, a distance of 15.00 feet to a point; (3) thence North 24 degrees 49 minutes 00 seconds West, a distance of 120.00 feet to a point; (4) thence North 64 degrees 26 minutes 00 seconds East, a distance of 303.09 feet to a point; thence along the same, land now or late of Hampden Industrial Development Authority and land now or late of Charles Adler & Sons, Inc., North 24 degrees 49 minutes 00 seconds West, a distance of 1,633.31 feet to a point on the Southern right-of-way line of Trindle Road; thence along said right-of-way line, North 65 degrees 21 minutes 00 seconds East, a distance of 1,184.06 feet to a point the point of BEGINNING.

BEING THE SAME PREMISES which Mid-Island Properties, Inc., a Pennsylvania Corporation, conveyed unto Connecticut General Life Insurance Company, a Connecticut Corporation, by deed dated November 10, 2000 and recorded November 15, 2000 in Record Book 233, Page 1140.

EXHIBIT A-2

LEGAL DESCRIPTION OF WASHINGTON CENTER

ALL that certain tract or parcel of land and premises, situate, lying and being in the Township of Washington, in the County of Gloucester, and State of New Jersey, more particularly described as follows:

PARCEL 1

BEGINNING as a monumented point for corner in the division line of lands N/F Getty Oil Company, Lot 5-B, Block 193, and lands N/F R and J Contarino Brothers, Lot 5-A, Block 193, said point being the southwesterly right-of-way line of Egg Harbor Road (70 feet wide) (County Route #40), said point being located the following two courses from the centerline intersection of Egg Harbor Road and Greentree Road (70 feet wide) (County Route #113):

- A) Proceeding from said intersection, South 25 degrees 04 minutes 16 seconds East, along the centerline of Egg Harbor Road, a distance of 198.86 feet to a point in Egg Harbor Road; thence
- B) Along the division line of 5-A and 5-B extended, South 56 degrees 24 minutes 00 seconds West, a distance of 35.39 feet to a concrete monument in the southwesterly right-of-way line of Egg Harbor Road and the place of beginning, and extending from said point of beginning; thence

- 1) Along the southwesterly right-of-way line of Egg Harbor Road, South 25 degrees 04 minutes 16 seconds East, a distance of 972.77 feet to a point; thence
- 2) South 64 degrees 55 minutes 00 seconds West, a distance of 619.97 feet to a point; thence
- 3) North 25 degrees 05 minutes 00 seconds West, a distance of 400.00 feet to a point; thence
- 4) North 64 degrees 55 minutes 00 seconds East, a distance of 130.00 feet to a

point of curvature; thence

- 5) Along said curve turning to the left, along a radius of 30.00 feet, an arc distance of 47.12 feet to a point of tangency; thence
- 6) North 25 degrees 05 minutes 00 seconds West, 258.34 feet to a point for angle; thence
- 1) South 25 degrees 04 minutes 16 seconds East, along the centerline of said Egg Harbor Road, a distance of 1172.50 feet to a point in the extended division line between lands N/F of American Stores Realty Corp. and lands N/F of Joseph Devine; thence
- 2) South 50 degrees 00 minutes 14 seconds West, along said division line of lands, a distance of 753.47 feet to a point in the division line between lands N/F of Joseph Devine, lands N/F of Washington Township Board of Education, and lands N/F of American Stores Realty Corp.; thence
- 3) North 45 degrees 15 minutes 46 seconds West, along the division line between lands N/F of Washington Township Board of Education, lands N/F of Bunker Hill Presbyterian Church, and lands N/F of American Stores Realty Corp., a distance of 1442.45 feet to a point in the centerline of Greentree Road; thence
- 4) North 51 degrees 58 minutes 15 seconds East, along the centerline of Greentree Road, a distance of 368.97 feet to an angle point in same; thence
- 5) North 56 degrees 28 minutes 00 seconds East, still along the centerline of Greentree Road, a distance of 509.60 feet to a point in the extended division line between lands N/F of Leslie Richards and lands N/F of American Stores Realty Corp.; thence
- 6) South 33 degrees 36 minutes 00 seconds East, along said division line, a distance of 221.82 feet to a point in same; thence
- 7) North 56 degrees 24 minutes 00 seconds East, still along said division line, a distance of 180.00 feet to a point in same; thence
- 8) North 25 degrees 09 minutes 00 seconds West, still along said division line, a distance of 25.00 feet to a point in the division line between lands N/F of Leslie Richards, lands N/F of Getty Oil Co., and lands N/F of American Stores Realty Corp.; thence
- 9) North 56 degrees 24 minutes 00 seconds East, along the division line of lands N/F of Getty Oil Co., and lands N/F of American Stores Realty Corp., a distance of 153.12 feet to a point in the centerline of Egg Harbor Road, being the point and place of BEGINNING.

EXCEPTING and reserving therefrom and thereout, the following described parcel of land:

BEGINNING at a point in the centerline of Egg Harbor Road, County Road #40 (70.00 feet wide), said point being the following courses from the intersecting centerlines of said Egg Harbor Road and Greentree Road, County Route #113 (70.00 feet wide); thence

- A) Along said centerline of Egg Harbor Road, South 25 degrees 04 minutes 16 seconds East, 198.86 feet to a point in same and said point of beginning; thence

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- 1) Still along centerline, South 25 degrees 04 minutes 16 seconds East, 978.00 feet to a point; thence
- 2) Leaving said centerline, South 64 degrees 55 minutes 00 seconds West, 654.67 feet to a point for corner; thence
- 3) North 25 degrees 05 minutes 00 seconds West, a distance of 400.00 feet to a point; thence
- 4) North 64 degrees 55 minutes 00 seconds East, a distance of 130.00 feet to a point of curvature; thence
- 5) Along said curve turning to the left; along a radius of 30.00 feet, an arc distance of 47.12 feet to a point of tangency; thence
- 6) North 25 degrees 05 minutes 00 seconds West, 258.34 feet to a point for angle; thence
- 7) North 69 degrees 55 minutes 22 seconds West, 100.00 feet to a point for angle; thence

- 8) North 33 degrees 32 minutes 00 seconds West, 330.00 feet to the centerline of Greentree Road, aforementioned; thence
- 9) Along said centerline, North 56 degrees 28 minutes 00 seconds East, 254.38 feet to a point; thence
- 10) Leaving said centerline, South 33 degrees 36 minutes 00 seconds East and passing over a concrete monument set 0.74 feet North of the southerly right-of-way of Greentree Road, 221.82 feet to a monumented point for corner in the division line of lands N/F Richard Leslie, Lot 5, Block 193; thence
- 11) Still along lands of aforesaid Richard Leslie, North 56 degrees 24 minutes 00 seconds East, 180.00 feet to a monumented point for corner in same; thence
- 12) Along lands N/F Richard Leslie, North 25 degrees 09 minutes 00 seconds West, 25.00 feet to a monumented point for corner in the division line of lands N/F Getty Oil Company, Lot 5B, Block 193; thence
- 13) North 56 degrees 24 minutes 00 seconds East, and passing over a monumented point set 3.12 feet West of the southwesterly right-of-way line of Egg Harbor Road, 153.12 feet to a point in the centerline of Egg Harbor Road, said point being the point and place of BEGINNING.

Being known as Lot 6 in Block 193 on the Official Tax Map of the Township of Washington in the County of Gloucester and State of New Jersey.

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Excluding from the above two parcels premises as set forth in Notice of Lis Pendens in Book 19, page 347; Declaration of Taking in Deed Book 2816, page 25; Notice of Lis Pendens in Book 20, page 65; and Declaration of Taking in Deed Book 2915, page 253.

The above two parcels are described pursuant to a survey drawn by Albert N. Floyd and Son, Land Surveyors, dated October 28, 1996, and last revised June 8, 2001, as follows:

BEGINNING at a point in the new right-of-way of Egg Harbor Road (County Route 630) variable width, in the division line between Lot 5.01 and Lot 5.02 (lands N/F Power Test Realty Co., Ltd. Partnership), Block 193 on the official tax map, said point being the following two courses from a point in the centerline of Greentree Road (County Route 651) 70 feet wide; thence:

- A) South 25 degrees 04 minutes 16 seconds East along the centerline of Egg Harbor Road, a distance of 198.86 feet to a point and corner; thence
 - B) South 56 degrees 24 minutes West along the division line between Lot 5.01 and Lot 5.02, Block 193, on the official tax map, a distance of 50.56 feet to the point and place of beginning; thence
- 1) South 25 degrees 04 minutes 16 seconds East along said right-of-way line of Egg Harbor Road, a distance of 677.00 feet to a point and corner in same; thence
 - 2) North 64 degrees 55 minutes 44 seconds East along same, a distance of 10.00 feet to a point and corner; thence
 - 3) South 25 degrees 04 minutes 16 seconds East along same, a distance of 293.52 feet to a point and corner; thence
 - 4) South 64 degrees 55 minutes 00 seconds West, a distance of 4.00 feet to a point and corner; thence
 - 5) South 25 degrees 04 minutes 16 seconds East along the said right-of-way line of Egg Harbor Road, a distance of 206.22 feet to a point in the division line between Lot 6.01 (lands N/F/ K. M. Connor) and Lot 6, Block 193; thence
 - 6) South 50 degrees 00 minutes 14 seconds West along last-mentioned division line, a distance of 707.93 feet to a point in the division line between Lot 6 and Lot 2.07 (lands N/F Washington Township Board of Education), Block 193; thence
 - 7) North 45 degrees 15 minutes 45 seconds West along the division line between Lot 6 and Lot Nos. 2.07 (lands N/F Washington Township Board of Education), 2.06 (lands N/F M.U.A.), 2.07 (aforementioned), and Lots 2.05 and 4.06 (lands N/F Bunker Hill Presbyterian Church, Block 193, a distance of 1398.10 feet to a point in the new right-of-way line of Greentree Road; thence

- 8) North 53 degrees 06 minutes 23 seconds East along the new right-of-way line of Greentree Road, a distance of 483.63 feet to an angle point in same; thence
- 9) South 33 degrees 32 minutes 00 seconds East, a distance of 6.0 feet to a point in the new right-of-way line of Greentree Road; thence
- 10) North 56 degrees 28 minutes East along said right-of-way line, a distance of 320.06 feet to a point in the division line between Lot 5.01 and Lot 5 (lands N/F Greentree Road Land, Inc.), Block 193; thence
- 11) South 33 degrees 36 minutes East along last-mentioned division line, a distance of 171.02 feet to a point and corner in same; thence
- 12) North 56 degrees 24 minutes East continuing along same, a distance of 180.00 feet to a point and corner; thence
- 13) North 25 degrees 09 minutes West continuing along same, a distance of 25.00 feet to a point and corner; thence
- 14) North 56 degrees 24 minutes East along the division line between Lot 5.01 and Lot 5.02 (lands N/F Power Test Realty Co., Ltd. Partnership), Block 193, a distance of 102.56 feet to the point and place of BEGINNING.

EXHIBIT A-3

LEGAL DESCRIPTION OF ACADEMY PLAZA

ALL THAT CERTAIN lot or piece of ground, Hereditaments and Appurtenances, Situated in the City of Philadelphia, Commonwealth of Pennsylvania, in accordance with a Plan entitled "ALTA/ACSM (1992) Land title Survey proposed by Taylor Wiscman & Taylor, dated February 4, 1998 as follows, to wit:

BEGINNING at a point on the Southwesterly line of Red Lion Road (64 feet wide) said point being the intersection of the Southwesterly line of Red Lion Road with the common boundary line of Parcel 499 and Parcel 498; thence, (1) Southeasterly along said line of Red Lion Road, South 43 degrees 50 minutes 13 seconds East, a distance of 873.42 feet to the beginning of a curve tangent to said line; thence (2) Southeasterly, on a curve to the right, having a radius of 20.05 feet and an arc length of 34.12 feet to a point of tangency, said point being on the Westerly line of Calera Road (64 feet wide); thence (3) Southwesterly along said line of Calera Road, South 53 degrees 39 minutes 47 seconds West, a distance of 438.90 feet to the beginning of a curve tangent to said line; thence (4) Northwesterly, on a curve to the right having a radius of 20.05 feet and an arc length of 30.87 feet to a point of tangency; said point being on the Northwesterly line of Cromwell Road (64 feet wide); thence (5) Northwesterly along said line of Cromwell Road, North 38 degrees 6 minutes 44 seconds West, a distance of 358.44 feet to a point; thence (6) continuing along said line, North 43 degrees 50 minutes 13 seconds West, a distance of 601.50 feet to the beginning of a curve tangent to said line; thence (7) Northeasterly, on a curve to the right having a radius of 20.05 feet and an arc length of 33.35 feet to a point of tangency, said point being on the Easterly line of Academy Road (100 feet wide); thence (8) Northeasterly along said line of Academy Road, North 51 degrees 27 minutes 22 seconds East, a distance of 28.35 feet to a point, said point being the common boundary line of Parcel 482 and 498; thence (9) leaving the Easterly line of Academy Road along the common boundary line, South 43 degrees 50 minutes 13 seconds East, a distance of 78.50 feet to a point; thence (10) North 46 degrees 9 minutes 47 seconds East, a distance of 89.82 feet to a point; thence (11) North 43 degrees 50 minutes 13 seconds West, a distance of 70.18 feet to a point on the Easterly line of Academy Road; thence (12) Northeasterly along said line of Academy Road, North 51 degrees 27 minutes 22 seconds East, a distance of 175.41 feet to a point, said point being the common boundary line of Parcel 499 and Parcel 498; thence (13) leaving said line of Academy Road, South 43 degrees 50 minutes 13 seconds East, a distance of 125.31 feet to a point; thence (14) North 51 degrees 27 minutes 22 seconds East, a distance of 125.31 feet to the point and place of beginning.

BEING known as 3200 and 3200 A Red Lion Road.

BEING the same premises with R.L.R. Associates Limited (a New Jersey Limited Partnership), by Indenture dated 12/14/1994 and recorded in the Recorder of Deeds, in and for the County of Philadelphia, aforesaid, in Deed Book VCS 790 page 67 &c., granted and conveyed unto Academy Store L.P., (a Delaware Limited Partnership), in fee.

AND ALSO BEING the same premises which Philadelphia Authority for Industrial

Development (a Body Politic and Corporate, existing under the Laws of The Commonwealth of Pennsylvania, by Indenture dated 2/6/1998 and recorded in the Recorder of Deeds, in and for the County of Philadelphia, aforesaid, in Deed Book JTD 598 page 372 &c., granted and conveyed unto Academy Store, L.P. (a Delaware Limited Partnership), in fee.

EXHIBIT A-4

LEGAL DESCRIPTION - PORT RICHMOND VILLAGE

ALL THAT CERTAIN parcel of land, Hereditaments and Appurtenances, Situate in the 31st Ward of the City of Philadelphia and Commonwealth of Pennsylvania as shown on Plan prepared by Joseph J. Feldman & Associates entitled "Existing Conditions Plan", dated July 25, 1989, last revised May 31, 1990 and being more particularly described as follows:

BEGINNING at a point of intersection between the Westerly line of Cumberland Street (60 feet wide) and the Northerly line of Salmon Street 40 feet wide; thence (1) along said line of Salmon Street South 41 degrees 29 minutes 3 seconds West a distance of 340.80 feet to a point on the Westerly line of York Street (50 feet wide); thence (2) North 48 degrees 30 minutes 57 seconds West a distance of 7.11 feet to a point; thence (3) along a curve to the right having a radius of 2267.257 feet for an arc distance of 50.237 feet to a point; thence (4) South 67 degrees 33 minutes 34 seconds West a distance of 577.172 feet to a point; thence (5) North 48 degrees 30 minutes 57 seconds West a distance of 73.395 feet to a point; thence (6) North 0 degrees 28 minutes 43 seconds West a distance of 201.406 feet to a point of curvature; thence (7) along a curve to the right having a radius of 324.125 feet for an arc distance of 223.36 feet to a point of tangency; thence (8) North 50 degrees 59 minutes 43 seconds West a distance of 17.952 feet to a point on the southerly line of Aramingo Avenue (variable width); thence (9) along said line of Aramingo Avenue North 39 degrees 0 minutes 17 seconds East a distance of 221.195 feet to a point within a 50 feet wide drainage right-of-way; thence (10) still along line of Aramingo Avenue North 57 degrees 35 minutes 34 seconds East a distance of 470.577 feet to a point of curvature; thence (11) along a curve to the right having a radius of 15 feet for an arc distance of 23.562 feet to a point on the aforementioned line of Cumberland Street; thence (12) along said line of Cumberland Street South 32 degrees 24 minutes 25 seconds East a distance of 470.088 feet to a point on the aforementioned line of Salmon Street and the first mentioned point and place of beginning.

BEING 2401 Aramingo Avenue, 2401 Aramingo Avenue (Unit B), 2220 Richmond Street (Unit A) and 2220 Richmond Street (Unit B).

BEING the same premises which The Equitable Life Assurance Society of the United States, a New York Corporation, by Indenture dated 03/31/1998 and recorded in the Recorder of Deeds, in and for the County of Philadelphia, aforesaid, in Deed Book JTD 639 page 188 &c., granted and conveyed unto Port Richmond and Associates LLC, (a New York limited Liability Company), in fee.

EXHIBIT B

APPROVED CONTRACTS

[Attached Hereto]

EXHIBIT C

APPROVED LEASES

EXHIBIT D-1

STRUCTURE OF BORROWER

EXHIBIT D-2

STRUCTURE OF CEDAR-CAMP HILL LLC

EXHIBIT D-3

STRUCTURE OF WASHINGTON CENTER 2 L.L.C.

EXHIBIT D-4

STRUCTURE OF ACADEMY PLAZA 2 L.L.C.

EXHIBIT D-5

STRUCTURE OF PORT RICHMOND VILLAGE 2 L.L.C.

EXHIBIT E-1

RENT ROLL - CAMP HILL

EXHIBIT E-2

RENT ROLL - WASHINGTON CENTER

EXHIBIT E-3

RENT ROLL - ACADEMY PLAZA

EXHIBIT E-4

RENT ROLL - PORT RICHMOND VILLAGE

EXHIBIT F

TENANTS WHO ARE AFFILIATES OF BORROWER
OR ANY BORROWER AFFILIATE

None.

EXHIBIT G-1

APPROVED OPERATING BUDGET FOR 2002
CEDAR-CAMP HILL LLC

[Attached Hereto]

EXHIBIT G-2

APPROVED OPERATING BUDGET FOR 2002
WASHINGTON CENTER 2 L.L.C.

[Attached Hereto]

EXHIBIT G-3

APPROVED OPERATING BUDGET FOR 2002
ACADEMY PLAZA 2 L.L.C.

[Attached Hereto]

EXHIBIT G-4

APPROVED OPERATING BUDGET FOR 2002
PORT RICHMOND VILLAGE 2 L.L.C.

[Attached Hereto]

LOAN AGREEMENT

THIS LOAN AGREEMENT is executed on November 14, 2002, to be delivered on November 15, 2002, by and between CEDAR-CAMP HILL, LLC, a Delaware limited liability company (the "Borrower"), and CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered savings bank (the "Lender").

Background

Borrower owns or is about to acquire certain real property consisting of approximately 44.32 acres of land located at 32nd Street (a/k/a U.S. Route 15) and Trindle Road in Camp Hill, Cumberland County, Pennsylvania (the "Premises"), as more fully described in Exhibit A attached hereto and made a part hereof, and the improvements thereon including several buildings containing a total of approximately 522,629 square feet ("Buildings") (collectively, the "Improvements"), together comprising a retail shopping center known as "Camp Hill Shopping Mall". The Premises and the Improvements are sometimes collectively referred to herein as the "Project."

Borrower has requested that Lender make available a credit facility in the principal amount of Fourteen Million Dollars (\$14,000,000) (the "Loan") in order to finance a portion of the cost of the acquisition of the Project and to reimburse Borrower for certain costs and expenses incurred in connection with the acquisition of the Project and the Loan. Lender is willing to extend the Loan to Borrower upon the terms and subject to the conditions hereinafter set forth.

Agreement

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained and intending to be legally bound hereby, Borrower and Lender agree as follows:

ARTICLE 1 DEFINITIONS; CONSTRUCTION

1.1. Certain Definitions. As used in this Agreement, the following terms have the following meanings (terms defined in the singular to have a correlative meaning when used in the plural), unless the context hereof otherwise clearly requires:

"Additional Security" has the meaning ascribed to such term in Section 2.4.

"Adjusted LIBOR Rate" means the Constant Spread Adjusted LIBOR Rate or the Variable Spread Adjusted LIBOR Rate.

"Adjusted Prime Rate" means the Constant Spread Adjusted Prime Rate or the Variable Spread Adjusted Prime Rate.

"Advance" means the advance of the Loan by Lender to Borrower on the Closing Date pursuant to this Agreement.

"Affiliate" of a Person (the "Specified Person") shall mean (i) any Person which directly or indirectly controls, or is controlled by, or is under common control with, the Specified Person, (ii) any executive officer (or, in the case of a Person which is not a corporation, any individual having analogous powers) of the Specified Person, and (iii) in the case of a Specified Person who is an individual, any lineal ancestor or lineal descendant of such Specified Person. For purposes of the preceding sentence, "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Loan Agreement as the same may be amended, modified, restated or supplemented from time to time in accordance with its terms.

"Approved Lease" has the meaning ascribed to such term in Section 6.8.

"Assignee" has the meaning ascribed to such term in Section 9.9.

"Assignment of Leases" has the meaning ascribed to such term in Section 2.3.

"Borrower" has the meaning ascribed to such term in the preamble hereto.

"Broker" means, collectively, Phillip Deeter and iCap.

"Buildings" has the meaning ascribed to such term in the Background of

this Agreement.

"Business Day" means: (i) any day which is neither a Saturday or Sunday nor a legal holiday on which commercial banks are authorized or required to be closed in Philadelphia, Pennsylvania; (ii) when such term is used to describe a day on which a borrowing, payment, prepaying, or repaying is to be made in respect of any LIBOR Rate Loan, any day which is: (A) neither a Saturday or Sunday nor a legal holiday on which commercial banks are authorized or required to be closed in New York City and (B) a London Banking Day; and (iii) when such term is used to describe a day on which an interest rate determination is to be made in respect of any LIBOR Rate Loan, any day which is a London Banking Day.

"Cedar Operating Partnership" means Cedar Income Fund Partnership, L.P., a Delaware limited partnership.

"Cedar REIT" means Cedar Income Fund, Ltd., a Maryland corporation, the common stock of which is publicly traded on the NASDAQ securities market.

"Closing Date" means the date of execution and delivery of this Agreement as indicated on the first page hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time, and the Treasury regulations thereunder.

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"Constant Spread Adjusted Libor Rate" applies to the Constant Spread Portion of the Loan and means the LIBOR Lending Rate plus one hundred ninety-five (195) basis points.

"Constant Spread Adjusted Prime Rate" applies to the Constant Spread Portion of the Loan and means the Prime Rate minus one hundred (100) basis points.

"Constant Spread Portion of the Loan" means Ten Million Dollars (\$10,000,000) of the stated principal amount of the Loan.

"Default" means any event or condition which with notice, passage of time or both, would constitute an Event of Default.

"Default Rate" means, with respect to the principal amount of the Loan or any other amounts payable under any of the other Loan Documents, an annual rate equal to the sum of (i) five percent (5%) per annum plus (ii) (A) the interest rate per annum otherwise in effect with respect to such amounts or (B) if no such rate is otherwise in effect with respect to such amounts, the Prime Rate.

"Dollar", "Dollars" and the symbol "\$" means lawful money of the United States of America.

"Eligible Institution" means (i) Lender; (ii) an Affiliate of Lender; (iii) a commercial bank organized under the laws of the United States, or any State thereof, and having a combined capital and surplus of at least \$1,000,000,000; (iv) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having a combined capital and surplus of at least \$1,000,000,000; (v) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow or under the laws of a political subdivision of any such country, and having a combined capital and surplus of at least \$1,000,000,000, so long as such bank is acting through a branch or agency located in the United States; and (vi) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership, trust or other entity) that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and having a combined capital and surplus or total assets of at least \$500,000,000; provided, however, that neither Borrower nor any Affiliate of Borrower shall qualify as an Eligible Institution under this definition.

"Environmental Agreement" has the meaning ascribed to such term in Section 2.3.

"Event of Default" means any of the Events of Default described in Section 8.1.

"Existing Leases" has the meaning ascribed to such term in Section 5.2.

"Existing Management Agreement" has the meaning ascribed to such term in Section 5.2.

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"Existing Manager" means Brentway Management, LLC, a New York limited liability company.

"Existing Tenants" has the meaning ascribed to such term in Section 5.2.

"Extended Maturity Date" has the meaning ascribed to such term in Section 4.1.

"Extension Fee" has the meaning ascribed to such term in Section 4.1.

"Financing Statements" has the meaning ascribed to such term in Section 2.3.

"FIRREA" means the Financial Institution's Reform, Recovery and Enforcement Act of 1989, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time.

"GAAP" has the meaning ascribed to such term in Section 1.3.

"General Collateral Assignment" has the meaning ascribed to such term in Section 2.3.

"Governmental Approvals" has the meaning ascribed to such term in Section 5.2.

"Governmental Authority" means any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

"Guarantor" means Cedar REIT or Cedar Operating Partnership, and "Guarantors" means both of them.

"Hedging Contracts" means interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, or any other agreements or arrangements entered into between Borrower and Lender and designed to protect Borrower against fluctuations in interest rates or currency exchange rates, including the Interest Rate Protection Agreement.

"Hedging Obligations" means, with respect to Borrower, all liabilities of Borrower to Lender under Hedging Contracts.

"Improvements" has the meaning ascribed to such term in the Background of this Agreement.

"Indemnitees" has the meaning ascribed to such term in Section 9.11.

"Interest Payment Date" means, (i) with respect to a LIBOR Rate Loan, the last Business Day of a LIBOR Interest Period, and (ii) with respect to a Prime Rate Loan, the last Business Day of each calendar month.

"Interest Rate Protection Agreement" means the Agreement referred to in Section 2.3(e) and, if the Original Maturity Date is extended pursuant to Section 4.1(b), the Agreement referred to in Section 4.1(b).

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"Law" means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, guideline, injunction, writ, decree or award of, or any permit approval or license granted by, any Governmental Authority, including without limitation those relating to tax, zoning, subdivision, building, safety, fire protection, accessibility to, usability by or discrimination against disabled individuals or environmental matters.

"Lender" has the meaning ascribed to such term in the preamble hereto.

"LIBOR Interest Period" means:

(i) initially, the period beginning on (and including) the Closing Date

and ending on (but excluding) the day which numerically corresponds to such date one month thereafter (or, if such month has no numerically corresponding day, on the last Business Day of such month), or

(ii) if a Prime Rate Loan is converted into a LIBOR Rate Loan pursuant to Section 3.3 or Section 3.4, initially the period beginning on (and including) the conversion date and ending on (but excluding) the day which numerically corresponds to such date one month thereafter (or, if such month has no numerically corresponding day, on the last Business Day of such month) and, regardless of whether clause (i) above or this clause (ii) is applicable,

(iii) thereafter, each period commencing on the last day of the next preceding LIBOR Interest Period applicable to a LIBOR Rate Loan and ending one month thereafter:

provided, however, that in any event

(A) LIBOR Interest Periods for a LIBOR Rate Loan in connection with which Borrower has or may incur Hedging Obligations with Lender shall be of the same duration as the relevant periods set under the applicable Hedging Contracts;

(B) if such LIBOR Interest Period would otherwise end on a day which is not a Business Day, such LIBOR Interest Period shall end on the next following Business Day unless such day falls in the next calendar month, in which case such LIBOR Interest Period shall end on the first preceding Business Day; and

(C) no LIBOR Interest Period may end later than the termination of this Agreement.

"LIBOR Lending Rate" means, relative to any LIBOR Rate Loan to be made, continued or maintained as, or converted into, a LIBOR Rate Loan for any LIBOR Interest Period, an annual interest rate determined pursuant to the following formula:

$$\text{LIBOR Lending Rate} = \frac{\text{LIBOR Rate}}{\text{-----}} \\ (1.00 - \text{LIBOR Reserve Percentage})$$

"LIBOR Rate" means, relative to a LIBOR Interest Period for a LIBOR Rate Loan, the offered rate for deposits of United States Dollars in an amount approximately equal to the amount of the requested LIBOR Rate Loan for a term coextensive with the designated LIBOR Interest Period which the British Bankers'

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Association fixes as its LIBOR rate and which appears on the Telerate page 3750 as of 11:00 a.m. London time on the day which is two London Banking Days prior to the beginning of such LIBOR Interest Period.

"LIBOR Rate Loan" means the entire outstanding principal balance of the Loan or any portion thereof with respect to which the applicable rate of interest is based upon the LIBOR Rate.

"LIBOR Rate Loan Prepayment Fee" has the meaning ascribed to such term in Section 4.2.

"LIBOR Reserve Percentage" means, relative to any day of a LIBOR Interest Period for a LIBOR Rate Loan, the maximum aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) under any regulations of the Board of Governors of the Federal Reserve System or other governmental authority having jurisdiction with respect thereto as issued from time to time and then applicable to assets or liabilities consisting of "Eurocurrency Liabilities", as currently defined in Regulation D of the Board of Governors of the Federal Reserve System, having a term approximately equal or comparable to such LIBOR Interest Period.

"Liquid Assets" has the meaning ascribed to such term in Section 6.2.

"Loan" has the meaning ascribed to such term in the Background of this Agreement.

"Loan Documents" has the meaning ascribed to such term in Section 2.3.

"Loan Fee" has the meaning ascribed to such term in Section 6.17.

"London Banking Day" means a day on which dealings in United States Dollar deposits are transacted in the London interbank market.

"Mortgage" has the meaning ascribed to such term in Section 2.3.

"Net Worth" has the meaning ascribed to such term in Section 6.2.

"Note" means the Promissory Note of Borrower evidencing the Loan, together with any allonges thereto, from time to time; and any promissory note issued in substitution therefor pursuant to the terms hereof, together with all extensions, renewals, refinancings or refundings thereof in whole or part, in each case as the same may be amended, modified, restated or supplemented from time to time.

"Obligations" shall mean all indebtedness, obligations and liabilities of Borrower to Lender from time to time arising under or in connection with or related to or evidenced by or secured by this Agreement or any other Loan Document, and all extensions, renewals or refinancings thereof, whether such indebtedness, obligations or liabilities are direct or indirect, otherwise secured or unsecured, joint or several, absolute or contingent, due or to become

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due, whether for payment or performance, now existing or hereafter arising. Without limitation of the foregoing, such indebtedness, obligations and liabilities include the principal amount of the Advance (whether or not the Advance was made in compliance with the terms and conditions of this Agreement or in excess of the obligation of Lender to lend), any and all Hedging Obligations, interest, fees, indemnities or expenses under or in connection with this Agreement or any other Loan Document, and all extensions, renewals and refinancings thereof. Obligations shall remain Obligations notwithstanding any assignment or transfer or any subsequent assignment or transfer of any of the Obligations or any interest therein.

"Original Maturity Date" has the meaning ascribed to such term in Section 4.1.

"Person" means an individual, corporation, partnership, trust, unincorporated association, limited liability company, joint venture, joint-stock company, Governmental Authority or any other entity.

"Premises" has the meaning ascribed to such term in the Background of this Agreement.

"Primary Leases" has the meaning ascribed to such term in Section 5.2.

"Prime Interest Period" means the period beginning on (and including) the date on which a Prime Rate Loan is made or on which a LIBOR Rate Loan is converted into a Prime Rate Loan pursuant to Section 3 and ending on (but excluding) the date when such Prime Rate Loan is converted into a LIBOR Rate Loan pursuant to Section 3.

"Prime Rate" means the annual interest rate publicly announced by Lender from time to time as its prime rate. The Prime Rate is determined from time to time by Lender as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by Lender to any particular class or category of customers. If and when the Prime Rate changes, the rate of interest with respect to any amounts hereunder to which the Prime Rate applies will change automatically without notice to Borrower, effective on the date of any such change.

"Prime Rate Loan" means the entire outstanding principal balance of the Loan or any portion thereof with respect to which the applicable rate of interest is based upon the Prime Rate.

"Project" has the meaning ascribed to such term in the Background of this Agreement.

"Rate Protected Portion of the Loan" has the meaning ascribed to such term in Section 2.3.

"Subordinate Lender" means SWH Funding Corp., a New Jersey corporation.

"Subordinate Loan" means the loan dated the date hereof, in the original aggregate principal amount of \$6,000,000, from Subordinate Lender to Cedar Operating Partnership.

"Surety Agreement" has the meaning ascribed to such term in Section 2.3.

"Taxes" means any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any federal, state, local or foreign taxing authority.

"Variable Spread Adjusted LIBOR Rate" applies to the Variable Spread Portion of the Loan and means:

(i) For and during the period between the Closing Date and June 30, 2003, the LIBOR Lending Rate plus one hundred ninety-five (195) basis points; and

(ii) For and during the six month period beginning July 1, 2003, and each successive six month period:

(A) if the Debt Service Coverage Ratio for the twelve month period immediately preceding the first day of such six month period is equal to or more than 2.5 to 1, the LIBOR Lending Rate plus one hundred seventy-five (175) basis points, and

(B) if the Debt Service Coverage Ratio for the twelve month period immediately preceding the first day of such six month period is equal to or more than 1.75 to 1 but less than 2.5 to 1, the LIBOR Lending Rate plus one hundred ninety-five (195) basis points, and

(C) if the Debt Service Coverage Ratio for the twelve month period immediately preceding the first day of such six month period is less than 1.75 to 1, the LIBOR Lending Rate plus two hundred twenty-five (225) basis points.

"Variable Spread Adjusted Prime Rate" applies to the Variable Spread Portion of the Loan and means:

(i) For and during the period between the Closing Date and June 30, 2003, the Prime Rate minus one hundred (100) basis points; and

(ii) For and during the six month period beginning July 1, 2003, and each successive six month period:

(A) if the Debt Service Coverage Ratio for the twelve month period immediately preceding the first day of such six month period is equal to or more than 2.5 to 1, the Prime Rate minus one hundred twenty (120) basis points, and

(B) if the Debt Service Coverage Ratio for the twelve month period immediately preceding the first day of such six month period is equal to or more than 1.75 to 1 but less than 2.5 to 1, the Prime Rate minus one hundred (100) basis points, and

(C) if the Debt Service Coverage Ratio for the twelve month period immediately preceding the first day of such six month period is less than 1.75 to 1, the Prime Rate minus seventy (70) basis points.

"Variable Spread Portion of the Loan" means Four Million Dollars (\$4,000,000) of the stated principal amount of the Loan.

1.2. Construction. In this Agreement and each other Loan Document, unless the context otherwise clearly requires,

(a) references to the plural include the singular, the singular the plural and the part the whole;

(b) "or" has the inclusive meaning represented by the phrase "and/or;"

(c) the terms "property" and "assets" each include all properties and assets of any kind or nature, tangible or intangible, real, personal or mixed, now existing or hereafter acquired;

(d) the words "hereof," "herein" and "hereunder" (and similar terms) in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document;

(e) the words "includes" and "including" (and similar terms) in this Agreement or any other Loan Document mean "includes, without limitation" and "including, without limitation," respectively whether or not stated; and

(f) references to "determination" (and similar terms) by Lender include good faith estimates by Lender (in the case of quantitative determinations) and good faith beliefs by Lender (in the case of qualitative determinations).

No doctrine of construction of ambiguities in agreements or instruments against the interests of the party controlling the drafting thereof shall apply to this Agreement or any other Loan Document. The section and other headings contained in this Agreement and in each other Loan Document, and any tables of contents contained herein or therein, are for reference purposes only and shall not affect the construction or interpretation of this Agreement or such other Loan Document in any respect.

1.3. Accounting Principles.

(a) As used herein, "GAAP" shall mean generally accepted accounting principles (other than as set forth herein as to consolidation) in the United States, applied on a consistent basis. When the word "consolidated" is used in this Agreement. It shall be used in a manner consistent with generally accepted accounting principles in the United States.

(b) Except as otherwise provided in this Agreement (including Section 6.2), all computations and determinations as to accounting or financial

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matters shall be made, and all financial statements to be delivered pursuant to this Agreement shall be prepared, in accordance with GAAP and all accounting or financial terms shall have the meanings ascribed to such terms by GAAP; provided that if because of a change in GAAP after the Closing Date Borrower would be required to alter a previously utilized accounting principle, method or policy in order to remain in compliance with GAAP, such determination shall continue to be made in accordance with Borrower's previous accounting principles, methods and policies unless otherwise agreed by Lender.

ARTICLE 2 THE LOAN

2.1. Commitment to Lend. Subject to the terms, provisions and conditions contained in this Agreement, Lender agrees to make the Advance of the Loan to Borrower on the Closing Date. The Advance shall not exceed the stated principal amount of the Loan.

2.2. Promissory Note. Borrower's obligation to repay the Loan with interest in accordance with the terms of this Agreement shall be evidenced by the Note payable to the order of Lender.

2.3. Loan Documents. As security for the Note and the performance by Borrower of all its obligations hereunder and thereunder, the following documents are being executed and delivered to Lender simultaneously herewith:

(a) An Open-end Mortgage and Security Agreement dated this date (as amended, modified or supplemented from time to time, the "Mortgage") executed by Borrower in favor of Lender, encumbering the Premises, the improvements now or hereafter erected thereon, including the Improvements, and all building materials, equipment, furniture and fixtures necessary or incidental to the operation, use, and maintenance thereof, and all renewals and replacements thereof or additions thereto, all as more specifically described in the Mortgage;

(b) An Assignment of Leases and Rents dated this date (as amended, modified or supplemented from time to time, the "Assignment of Leases") executed by Borrower in favor of Lender, assigning to Lender all of Borrower's right, title and interest in and to all existing and future leases of all or any part of the Project, including Approved Leases;

(c) A General Collateral Assignment and Security Agreement dated this date (as amended, modified or supplemented from time to time, the "General Collateral Assignment") executed by Borrower in favor of Lender, pursuant to which Borrower assigns to Lender all of Borrower's right, title and interest in and to all contracts, management agreements, licenses, permits, approvals, guarantees, and similar items with respect to the ownership, construction, rehabilitation and operation of the Project;

(d) An Environmental Indemnity Agreement dated this date (as

amended, modified or supplemented from time to time, the "Environmental Agreement") executed by Borrower in favor of Lender, pursuant to which Borrower provides certain assurances and indemnities to Lender with respect to environmental matters;

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(e) An Interest Rate Protection Agreement dated this date executed by Borrower and Lender pursuant to which the interest rate applicable to a specified portion or all of the principal amount of the Loan (the "Rate Protected Portion of the Loan") is effectively converted from being based upon the LIBOR Lending Rate or Prime Rate under this Agreement to being based upon a fixed interest rate between the Closing Date and the Original Maturity Date.

(f) Financing Statements (as amended, modified or supplemented from time to time, the "Financing Statements") executed by Borrower in favor of Lender, pursuant to which the personal property security interests granted to Lender in the Loan Documents are to be perfected; and

(g) A Guaranty and Suretyship Agreement dated this date (as amended, modified or supplemented from time to time, the "Surety Agreement") executed by Guarantors in favor of Lender, pursuant to which Guarantors guarantee and become sureties to Lender for the payment and performance of certain of Borrower's obligations under this Agreement and under the other Loan Documents in accordance with the terms and conditions set forth therein.

Borrower shall execute and deliver such additional documents and instruments as Lender shall reasonably require in order to perfect Lender's lien on or security interest in the foregoing property. This Agreement, the Note, the Mortgage, the Assignment of Leases, the General Collateral Assignment, the Environmental Agreement, the Financing Statements, the Surety Agreement, any Hedging Contracts (including the Interest Rate Protection Agreement), and all other agreements and instruments evidencing or securing the Loan, in each case as the same may be amended, modified or supplemented from time to time hereafter, are hereinafter collectively referred to as the "Loan Documents". All of the Loan Documents shall be in form and substance satisfactory to Lender, and all necessary filing and recording fees with respect thereto shall be paid by Borrower.

2.4. Additional Security.

(a) As additional security for the Note and all of Borrower's obligations thereunder and hereunder, Borrower hereby irrevocably pledges and assigns to Lender and grants to Lender a first lien security interest in all of its right, title and interest in and to (i) any Hedging Contracts, (ii) all Loan funds held by Lender, whether or not disbursed, (iii) all funds deposited by Borrower with Lender or its designee under this Agreement or otherwise, (iv) all other bank accounts of Borrower maintained at Lender and all reserves established by Borrower and maintained at Lender, deferred payments due to Borrower, deposits by Borrower, refunds due to Borrower and payments to Borrower of any kind relating to the Project (collectively, the "Additional Security").

(b) Borrower shall execute and deliver such additional documents and instruments as Lender reasonably shall require in order to perfect Lender's lien on or security interest in any of the Additional Security, including a photocopy or reproduction of this Agreement (which shall be deemed to be a security agreement under the Uniform Commercial Code) or any Financing Statement. Borrower hereby appoints Lender or its designee as attorney-in-fact for Borrower for the purpose of carrying out the foregoing provisions and the taking of

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any action and the execution of any instrument which Lender may reasonably deem necessary or appropriate to accomplish the purposes thereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest.

ARTICLE 3 INTEREST RATE PROVISIONS

3.1. Interest Rates.

(a) Adjusted LIBOR Rates. Subject to the provisions of subsection (b) hereof and Sections 3.3 and 3.4, the principal balance of the Loan outstanding from time to time shall bear interest at the Adjusted LIBOR Rates, the Constant Spread Portion of the Loan at the Constant Spread Adjusted LIBOR

Rate and the Variable Spread Portion of the Loan at the Variable Spread Adjusted LIBOR Rate. On the Closing Date with respect to the initial LIBOR Interest Period and thereafter not later than the first day of each successive LIBOR Interest Period, Lender shall notify Borrower of the Adjusted LIBOR Rates applicable to such LIBOR Interest Period.

(b) Default Rate. The principal balance outstanding under the Loan and any other amounts payable under any of the Loan Documents from time to time shall bear interest at the Default Rate (i) following the occurrence and during the continuance of an Event of Default (regardless of whether payment of the Loan has been accelerated) and (ii) unless the term of the Loan is extended pursuant to written agreement between Borrower and Lender, between the Original Maturity Date or the Extended Maturity Date, whichever is applicable, and the date on which the Loan is paid in full.

(c) Usurious Rate. All agreements between Borrower and Lender are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the Loan or otherwise shall the amount paid or agreed to be paid to Lender for the use or the forbearance of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. As used herein, the term "applicable law" shall mean the law in effect as of the Closing Date; provided, however, that in the event there is a change in the law which results in a higher permissible rate of interest, then the Loan Documents shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and Lender in the execution, delivery and acceptance of the Loan Documents to contract in strict compliance with the applicable laws from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the Loan Documents at the time of performance of such provision shall be due, shall involve transcending the limit of such validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to the limits of such validity, and if under or from circumstances whatsoever Lender should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower and Lender.

3.2. Computation of Interest. Interest shall be computed on the basis of a year of three hundred sixty (360) days and paid for the actual number of

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days elapsed. Interest for any period shall be calculated from and including the first day thereof to but excluding the last day thereof.

3.3. LIBOR Rate Lending Unlawful. If Lender shall determine (which determination shall, upon notice thereof to Borrower, be conclusive and binding on Borrower) that the introduction of or any change in or in the interpretation of any law, rule, regulation or guideline (whether or not having the force of law) makes it unlawful, or any central bank or other Governmental Authority asserts that it is unlawful, for Lender to make, continue or maintain any LIBOR Rate Loan as a LIBOR Rate Loan of a certain duration, the obligation of Lender to make, continue or maintain any such LIBOR Rate Loan shall, upon such determination, forthwith be suspended until Lender shall notify Borrower that the circumstances causing such suspension no longer exist, and any LIBOR Rate Loan of such type automatically shall convert into a Prime Rate Loan at the end of the then current LIBOR Interest Period with respect thereto or sooner, if required by such law or assertion.

3.4. LIBOR Rate Lending Impractical. If Lender shall have determined that

(a) United States Dollar deposits in the relevant amount and for the relevant LIBOR Interest Period are not available to Lender in the London interbank market, or

(b) by reason of circumstances affecting Lender in the London interbank market, adequate means do not exist for ascertaining the LIBOR Rate applicable hereunder to a LIBOR Rate Loan, or

(c) LIBOR no longer adequately reflects Lender's cost of funding loans,

then, upon notice from Lender to Borrower, the obligations of Lender under Section 3.1(a) to make or continue the Loan as a LIBOR Rate Loan shall forthwith be suspended until Lender shall notify Borrower that the circumstances causing such suspension no longer exist, and such LIBOR Rate Loan automatically shall convert into a Prime Rate Loan at the end of the then current LIBOR Interest Period with respect thereto or sooner, if required by such circumstances.

3.5. Increased Costs Due to Borrower. In addition to the LIBOR Rate Loan Prepayment Fee, Borrower agrees to reimburse Lender (without duplication) for any increase in the cost to Lender, or reduction in the amount of any sum receivable by Lender, in respect, or as a result of

(a) any conversion or repayment or prepayment of the principal amount of a LIBOR Rate Loan on a date other than the scheduled last day of the LIBOR Interest Period applicable thereto, whether pursuant to Sections 3.1(a) or 4.2 or otherwise, or

(b) any cost associated with marking to market any Hedging Obligations that (in the reasonable determination of Lender) are required to be terminated as a result of any conversion, repayment or prepayment of the principal amount of a LIBOR Rate Loan on a date other than the scheduled last day of the LIBOR Interest Period applicable thereto, whether pursuant to Sections 3.1(a) or 4.2 or otherwise.

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Lender promptly shall notify Borrower in writing of the occurrence of any such event, such notice to state, in reasonable detail, the reasons therefor and the additional amount required fully to compensate Lender for such increased cost or reduced amount. Such additional amounts shall be payable by Borrower to Lender within five (5) days of its receipt of such notice, and such notice shall, in the absence of manifest error, be conclusive and binding on Borrower. Borrower understands, agrees and acknowledges that (i) Lender does not have any obligation to purchase, sell and/or match funds in connection with the use of the LIBOR Rate as a basis for calculating the rate of interest on a LIBOR Rate Loan, (ii) the LIBOR Rate may be used merely as a reference in determining such rate, and (iii) Borrower has accepted the LIBOR Rate as a reasonable and fair basis for calculating such rate, the LIBOR Rate Loan Prepayment Fee, and other funding losses incurred by Lender. Borrower further agrees to pay the LIBOR Rate Loan Prepayment Fee and other funding losses, if any, whether or not Lender elects to purchase, sell and/or match funds.

3.6. Increased Costs Due to Change in Law. If on or after the Closing Date the adoption of any applicable Law (whether or not having the force of law), or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Lender with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency

(a) shall subject Lender to any Taxes, duty or other charge with respect to a LIBOR Rate Loan or its obligation to make a LIBOR Rate Loan, or shall change the basis of taxation of payments to Lender of the principal of or interest on a LIBOR Rate Loan or any other amounts due under this Agreement in respect of a LIBOR Rate Loan or its obligation to make a LIBOR Rate Loan (except for the introduction of, or change in the rate of, tax on the overall net income of Lender or franchise taxes, imposed by the jurisdiction (or any political subdivision or taxing authority thereof) under the laws of which Lender is organized or in which Lender's principal executive office is located), or

(b) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, Lender or shall impose on Lender or on the London interbank market any other condition affecting a LIBOR Rate Loan or its obligation to make a LIBOR Rate Loan, and the result of any of the foregoing is to increase the cost to Lender of making or maintaining any LIBOR Rate Loan, or to reduce the amount of any sum received or receivable by Lender under this Agreement with respect thereto, by an amount reasonably deemed by Lender to be material, then, within fifteen (15) days after demand by Lender, Borrower shall pay to Lender such additional amount or amounts as will compensate Lender for such increased cost or reduction. A change in law which results in a change in the LIBOR Reserve Percentage shall not result in a duplicate payment under this Section 3.6.

3.7. Increased Capital Costs of Lender. If any change in, or the adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects the amount of capital required to be maintained

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by Lender or Person controlling Lender, and Lender determines (in its sole and absolute discretion) that the rate of return on its or such controlling Person's capital as a consequence of the Loan and other loans to Borrower and its Affiliates is reduced to a level below that which Lender or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by Lender to Borrower, Borrower within thirty (30) days of such notice shall pay directly to Lender additional amounts sufficient to compensate Lender or such controlling Person for such reduction in rate of return. A statement of Lender as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on Borrower. In determining such amount, Lender may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable.

3.8. Taxes.

(a) All payments by Borrower of principal of, and interest on, a LIBOR Rate Loan and all other amounts payable under this Agreement shall be made free and clear of and without deduction for any Taxes (other than franchise taxes and taxes imposed on or measured by Lender's net income or receipts). In the event that any withholding or deduction from any payment to be made by Borrower hereunder is required in respect of any such Taxes pursuant to any applicable law, rule or regulation, then Borrower will

(i) pay directly to the relevant authority the full amount required to be so withheld or deducted,

(ii) promptly forward to Lender an official receipt or other documentation satisfactory to Lender evidencing such payment to such authority, and

(iii) pay to Lender such additional amount or amounts as is necessary to ensure that the net amount actually received by Lender will equal the full amount Lender would have received had no such withholding or deduction been required.

(b) If any such Taxes are directly asserted against Lender with respect to any payment received by Lender under this Agreement, Lender may pay such Taxes and Borrower will promptly pay such additional amount (including any penalties, interest or expenses) as is necessary in order that the net amount received by Lender after the payment of such Taxes (including any such Taxes on such additional amount) shall equal the amount Lender would have received had not such Taxes been asserted.

(c) If Borrower fails to pay any such Taxes when due to the appropriate taxing authority or fails to remit to Lender the required receipts or other required documentary evidence, Borrower shall indemnify Lender for any incremental amount of such Taxes, interest or penalties that may become payment by Lender as a result of any such failure.

ARTICLE 4 LOAN PAYMENT PROVISIONS; MATURITY DATES

4.1. Interest and Principal Payments; Original Maturity Date; Extended Maturity Date.

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(a) Interest on the unpaid principal balance of the Loan outstanding from time to time at the applicable Adjusted LIBOR Rate and/or Adjusted Prime Rate determined pursuant to Article 3 shall accrue for and during the applicable LIBOR Interest Period and/or Prime Interest Period, as applicable, and shall be payable on each applicable Interest Payment Date beginning with the first Interest Payment Date following the Closing Date. Subject to subsection (b), the unpaid principal balance of the Loan then outstanding together with all accrued and unpaid interest shall become due and payable on the date which is twenty-four (24) months after the Closing Date ("Original Maturity Date").

(b) The Original Maturity Date shall be extended to a date occurring twelve (12) months after the Original Maturity Date ("Extended Maturity Date"), provided (i) Borrower gives written notice thereof to Lender not less than thirty (30) days and not more than ninety (90) days prior to the Original Maturity Date, (ii) at the time of said written notice, Borrower pays to Lender an extension fee ("Extension Fee") equal to one-eighth of one percent (1/8%) of the unpaid principal balance of the Loan then outstanding, (iii) the Debt Service Coverage Ratio for the twelve month period immediately preceding the first day of the month in which the Original Maturity Date occurs is equal to or more than 1.75 to 1, (iv) each of the Primary Leases remains in full force and

effect in accordance with no less favorable terms as were in effect on the Closing Date (with only such changes subsequent thereto as have been approved in writing by Lender) with the tenant thereunder in occupancy, (v) Borrower and Lender enter into an additional Interest Rate Protection Agreement pursuant to which the Rate Protected Portion of the Loan is effectively converted from being based upon the LIBOR Lending Rate or Prime Rate under this Agreement to being based upon a fixed interest rate between the Original Maturity Date and the Extended Maturity Date, (vi) no Event of Default, and no event or circumstance which, with the passage of time or the giving of notice or both, would constitute an Event of Default, has occurred prior to, or is in existence on, the Original Maturity Date (which condition Lender may waive in its sole and unreviewable discretion), and (vii) there has been no material adverse change in the financial condition of Borrower or either Guarantor between the Closing Date and the Original Maturity Date, as determined by Lender. If the Original Maturity Date is extended as hereinabove set forth, Borrower shall continue to pay interest only on the unpaid principal balance of the Loan outstanding from time to time on each applicable Interest Payment Date, and the unpaid principal balance of the Loan then outstanding together with all accrued and unpaid interest shall become due and payable on the Extended Maturity Date.

4.2. Prepayments.

(a) Right of Prepayment; Notice. Borrower shall have the right to prepay all or any portion of the unpaid principal balance of the Loan, provided Borrower shall give Lender, no later than 10:00 a.m., New York City time, at least ten (10) Business Days' notice of any proposed prepayment, specifying the proposed date of payment and the principal amount to be paid.

(b) Prepayment Penalty. A Prime Rate Loan may be prepaid without penalty or premium. A LIBOR Rate Loan may be prepaid upon the terms and conditions set forth herein. For a LIBOR Rate Loan in connection with which Borrower has or may incur Hedging Obligations, additional obligations may be

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associated with prepayment, in accordance with the terms and conditions of the applicable Hedging Contracts. Each partial prepayment of the principal amount of a LIBOR Rate Loan shall be in an integral multiple of \$100,000 and accompanied by the payment of all charges outstanding on such a LIBOR Rate Loan and of all accrued interest on the principal repaid to the date of payment. Borrower acknowledges that prepayment or acceleration of a LIBOR Rate Loan during a LIBOR Interest Period shall result in Lender incurring additional costs, expenses and/or liabilities and that it is extremely difficult and impractical to ascertain the extent of such costs, expenses and/or liabilities. Therefore, all full or partial prepayments of a LIBOR Rate Loan shall be accompanied by, and Borrower hereby promises to pay, on each date a LIBOR Rate Loan is prepaid or the date all sums payable hereunder become due and payable, by acceleration or otherwise, in addition to all sums then owing, an amount ("LIBOR Rate Loan Prepayment Fee") determined by Lender pursuant to the following formula:

(i) the then current rate for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent) with a maturity date closest to the end of the LIBOR Interest Period as to which prepayment is made, subtracted from

(ii) the Adjusted LIBOR Rate applicable to the LIBOR Rate Loan being prepaid.

If the result of this calculation is zero or a negative number, then there shall be no LIBOR Rate Loan Prepayment Fee. If the result of this calculation is a positive number, then the resulting percentage shall be multiplied by:

(iii) the amount of the LIBOR Rate Loan being prepaid. The resulting amount shall be divided by:

(iv) three hundred sixty(360) and multiplied by:

(v) the number of days remaining in the LIBOR Interest Period as to which the prepayment is being made.

Said amount shall be reduced to present value calculated by using the referenced United States Treasury securities rate and the number of days remaining on the LIBOR Interest Period for the LIBOR Rate Loan being prepaid.

The resulting amount of these calculations shall be the LIBOR Rate Loan Prepayment Fee.

(c) Application of Payments. Any payment, whether voluntary or involuntary, shall be applied (i) first to the payment of all fees, expenses and other amounts which may be payable to Lender under the Loan Documents up to the date of such payment (excluding principal and interest), (ii) then to accrued

and unpaid interest under the Loan up to the date of such payment, (iii) then to the outstanding principal balance of the Constant Spread Portion of the Loan, and (iv) then to the outstanding principal balance of the Variable Spread Portion of the Loan. The acceptance of any prepayment (other than full payment)

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when there is an Event of Default in existence under any of the Loan Documents shall not constitute a waiver, release or accord and satisfaction thereof or of any rights with respect thereto by Lender.

4.3. Late Payment Charge. There shall be a late payment charge computed at the rate of five cents (\$.05) for each dollar (or part thereof) of any principal or interest amount not paid within ten (10) days after its due date.

4.4. Payments by Borrower in General.

(a) Time, Place and Manner. All payments due to Lender under the Loan Documents shall be made to Lender at the office designated for Lender in Section 9.1 or to such other Person or at such other address as Lender may designate by prior written notice to Borrower. Except as otherwise set forth in this Agreement, a payment shall not be deemed to have been made on any day unless such payment has been received by the required Person, at the required place of payment, in Dollars in funds immediately available to such Person, no later than 1:00 p.m. (Philadelphia, Pennsylvania time) on such day.

(b) No Reductions. All payments due to Lender under this Agreement and the other Loan Documents, shall be made by Borrower without any reduction or deduction whatsoever, including any reduction or deduction for any charge, set-off, hold back, recoupment or counterclaim (whether sounding in tort, contract or otherwise).

(c) Authorization to Charge Accounts. Borrower hereby authorizes Lender to charge any amounts due under this Agreement against the operating account of Borrower with Lender.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1. Relating to Borrower and its Affiliates. Borrower represents and warrants to Lender that:

(a) (i) Borrower is a single purpose limited liability company duly organized, validly existing and subsisting under the laws of the State of Delaware and has the power and authority to own and operate the Project. The sole member of Borrower is Cedar Operating Partnership. True and correct copies of Borrower's Limited Liability Company Agreement and Certificate of Formation, together with any and all amendments thereto, have been furnished to Lender and the same are in full force and effect as of the Closing Date. None of the ownership interests of Borrower has been offered, issued, distributed or sold in violation of any state or federal securities laws.

(ii) Cedar Operating Partnership is a limited partnership duly formed, validly subsisting and in good standing under the laws of the State of Delaware, and has the power and authority to act as the sole member of Borrower. Cedar Operating Partnership is qualified to transact business in, and is validly subsisting under the laws of, the Commonwealth of Pennsylvania. Cedar REIT is the sole general partner and the legal and beneficial owner of at least twenty percent (20%) of the ownership interests of Cedar Operating Partnership. True and correct copies of Cedar Operating Partnership's Partnership Agreement and

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Certificate of Limited Partnership, together with any and all amendments thereto, have been furnished to Lender and the same are in full force and effect as of the date of this Agreement. None of the ownership interests of Cedar Operating Partnership has been offered, issued, distributed or sold in violation of any state or federal securities laws.

(iii) Cedar REIT is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland and has the power and authority to act as the sole general partner of Cedar Operating Partnership. The shares of common stock of Cedar REIT are publicly traded on the NASDAQ securities market. Cedar REIT qualifies as a "real estate investment trust" under the Code. True and correct copies of Cedar REIT's Certificate of Incorporation and Bylaws, together with any and all amendments thereto, have been furnished to Lender and the same are in full force and effect as of the

Closing Date. None of the shares of stock or other ownership interests of Cedar REIT has been offered, issued, distributed or sold in violation of any state or federal securities laws.

(iv) Existing Manager is a limited liability company duly formed, validly existing and in good standing under the laws of the New York and has the power and authority to manage the Project pursuant to the Existing Management Agreement. Existing Manager has qualified to transact business in, and is subsisting under the laws of, the Commonwealth of Pennsylvania. Leo S. Ullman is the chief executive officer of Existing Manager and the legal and beneficial owner of the majority of the ownership interests in Existing Manager. True and correct copies of Existing Manager's Certificate of Formation and Operating Agreement, together with any and all amendments thereto, have been furnished to Lender and the same are in full force and effect as of the Closing Date.

(b) Borrower has all requisite power and authority to own and operate its properties and to carry on its business as now conducted and as presently planned to be conducted. Without limiting the generality of the foregoing, Borrower: (i) has the power to engage in all the transactions contemplated by this Agreement, and (ii) has full power, authority and legal right to execute and deliver, and to comply with the provisions of this Agreement and the other Loan Documents to be executed by Borrower and all other documents relating hereto or thereto, which documents constitute the legally binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar Laws of general application affecting the enforcement of creditor's rights.

(c) Except as set forth on Schedule 5.1(c) hereto, there is no suit, action, proceeding or investigation pending or to the knowledge of Borrower threatened against or affecting Borrower or the Project. There is no suit, action, proceeding or investigation pending or to the knowledge of Borrower threatened against Borrower or Guarantors which, if adversely resolved, would: (i) adversely affect the Project, (ii) adversely affect the ability of Borrower to perform its obligations under the Loan Documents or the ability of Guarantors to perform any of their obligations under the Surety Agreement, as applicable, or (iii) adversely affect the business, operations, condition (financial or otherwise) or prospects of Borrower or Guarantors.

(d) No consent, approval or other authorization of or by any court, administrative agency or other governmental authority is required in connection

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with the execution or delivery by Borrower of this Agreement or any other Loan Document or compliance with the provisions hereof or thereof.

(e) Neither the execution nor delivery of this Agreement or any other Loan Document will conflict with or result in a breach of any applicable Law of any court, administrative agency or other Governmental Authority, or of any agreement or other instrument to which Borrower is a party or by which it is bound, or constitute a default under any thereof, or except as expressly contemplated herein, result in the creation or imposition of any lien, charge or encumbrance upon any property of Borrower.

(f) The financial statements of Guarantors, copies of which have been furnished to Lender, fairly and accurately reflect the respective financial conditions of Guarantors as of the dates thereof, and there has been no material adverse change in the financial condition of Guarantors since such dates.

(g) Any and all federal, state and local income tax returns required to have been filed by Guarantors have been filed, or extensions for the filing thereof have been filed, and all taxes reflected upon any such tax returns, all past due taxes, interest and penalties and all estimated payments required to be paid to date have been paid.

(h) Neither Borrower nor either Guarantor has applied for or consented to the appointment of a receiver, trustee or liquidator of itself or any of its property, admitted in writing its inability to pay debts as they mature, made a general assignment for the benefit of creditors, been adjudicated a bankrupt or insolvent or filed a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, and no action has been taken by it for the purpose of effecting any of the foregoing. No order, judgment or decree has been entered by any court of competent jurisdiction approving a petition seeking reorganization of Borrower or either Guarantor or all or a substantial part of the assets of Borrower or

either Guarantor, or appointing a receiver, sequestrator, trustee or liquidator of it or any of its property.

(i) Borrower has not entered into the Loan with the intent to hinder, delay, or defraud any creditor, and Borrower has received reasonably equivalent value in exchange for its obligations under the Loan Documents. Giving effect to the transactions contemplated by the Loan Documents, the fair saleable value of Borrower's assets exceeds and, immediately following the execution and delivery of the Loan Documents, will exceed Borrower's total liabilities, including subordinated, unliquidated, disputed or contingent liabilities. Borrower's assets do not and, immediately following the execution and delivery of the Loan Documents, will not constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of Borrower).

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(j) Borrower is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

(k) Borrower has not dealt with any broker, agent or other intermediary in connection with the Loan other than Broker.

(l) No Event of Default has occurred and is continuing or exists under this Agreement or any other Loan Document and, to Borrower's knowledge, no event has occurred and is continuing or exists that, with the passage of time or giving of notice or both, will constitute an Event of Default hereunder or under any other Loan Document.

5.2. Relating to the Project. Borrower represents and warrants to Lender that:

(a) Borrower owns good and marketable fee simple title to the Project, subject to no lien, charge or encumbrance except such as are listed as exceptions to title or exclusions from coverage in the title insurance policy being issued to Lender concurrently with the execution of the Mortgage and pursuant to Section 7.2(d). The purchase price paid by Borrower for the Project was \$17,200,000. Borrower has delivered to Lender true, correct and complete copies of the Agreement of Sale and Deed for the Project.

(b) All personal property with respect to which Borrower has granted to Lender a security interest pursuant to any of the Loan Documents is otherwise owned by Borrower free and clear of all liens, encumbrances and security interests.

(c) (i) The Project is subject to the leases listed and described on Exhibit B attached hereto and made a part hereof ("Existing Leases"), including without limitation those leases denoted on Exhibit B as "Primary Leases" with respect to which the tenants thereunder are Boscov's, Giant Foods and Barnes and Noble, respectively ("Primary Leases"). Except for the Existing Leases, the Project is not subject to any other leases, occupancy rights or similar arrangements. To the best of Borrowers knowledge after diligent inquiry, except as may be set forth in Exhibit B, none of the Existing Leases has been amended, modified or supplemented in any respect or terminated or canceled. To the best of Borrower's knowledge after diligent inquiry, the Existing Leases represent the entire agreements between Borrower and the respective applicable tenants ("Existing Tenants") with respect to the lease of the portions of the Project covered thereby. Each of the Existing Leases is in full force and effect. Borrower knows of no material defaults under Existing Leases in the aggregate which, in the judgment of Lender, could have a material adverse effect on the financial condition of Borrower or the Project. To the best of Borrower's knowledge, there are no existing defenses or offsets against the obligation to pay the rents or other charges due under any of the Existing Leases or against the enforcement of any of the Existing Leases by Borrower. Except as may be set forth in Exhibit B, there are no agreements covering free rent, partial rent, rebate of rental payments or any other type of rental concessions with respect to any of the Existing Leases. None of the Existing Leases contains any options or rights of first refusal to purchase any portion or all of the Project. There have not been any prepayments of any rent under any of the Existing Leases. Except as may be set forth in Exhibit B, there is no provision for the payment of any security deposit under any of the Existing Leases. Borrower has not

mortgaged, assigned, pledged, granted a security interest in or otherwise encumbered its interest in any of the Existing Leases in favor of any person or entity other than Lender.

(ii) Borrower has delivered to Lender a rent roll for the Project dated within thirty (30) days of the Closing Date, in form and substance reasonably satisfactory to Lender and certified as true and correct by Cedar Operating Partnership. To the best of Borrower's knowledge, after due inquiry into and analysis of the historical operating expenses of the Project for the twelve (12) month period immediately preceding the effective date of such rent roll, the pro forma Net Operating Income (based upon such rent roll and such historical operating expense) is equal to or more than \$1,300,000 and the pro forma Debt Service Coverage Ratio (based upon such Net Operating Income and debt service for the first year under the Loan) is more than 1.75 to 1.

(d) Borrower has delivered to Lender a true, correct and complete copy of the Management Agreement dated the date hereof between Borrower and Existing Manager ("Existing Management Agreement"). There are no other management agreements to which Borrower is a party relating to the Project. The Existing Management Agreement has not been amended, modified or supplemented in any respect or terminated or canceled. The Existing Management Agreement represents the entire agreement between Borrower and Existing Manager with respect to the management of the Project. The Existing Management Agreement is in full force and effect, there are no defaults thereunder, and Borrower knows of no events or conditions which, with passage of time or notice or both, would constitute a default thereunder.

(e) Except as set forth on Schedule 5.1(e) hereto, no notice of taking by eminent domain or condemnation of any Part of the Project has been received, and Borrower has no knowledge that any such proceeding is contemplated. No part of the Project has been damaged or injured as a result of any fire, explosion, accident, flood, or other casualty which is not now fully restored.

(f) The Premises abut and have direct access to a legally open public right of way. All streets necessary for the full utilization of the Project for its intended purpose have been completed or, if not completed, are located within the boundaries of the Premises or the necessary rights of way therefor have been acquired by or dedicated to the appropriate Governmental Authority. All costs of street improvements to be completed by Borrower have been paid.

(g) Electricity, public potable water and public sanitary and storm sewerage facilities and natural gas service are connected to the Premises and are of sufficient capacity to service the Improvements. All costs for installing and connecting such utilities (including tap-in and connection fees) have been paid.

(h) All necessary approvals from the Governmental Authorities having jurisdiction over the Project (the "Governmental Approvals") have been obtained for the development, ownership and operation of the Project, are final and not subject to approval and remain in full force and effect. Borrower has satisfied all conditions imposed by any Governmental Authority on the grant of the

Governmental Approvals. To the best of Borrower's knowledge after diligent investigation, the ownership and operation of the Project are in compliance with all applicable Laws.

(i) No statement of fact made by Borrower in any Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein not misleading. There is no material fact presently known to Borrower that has not been disclosed to Lender which materially adversely affects, or, as far as Borrower can foresee, might materially adversely affect, the Project or the business operations or condition (financial or otherwise) of Borrower.

5.3. Survival of Representations. All of the representations and warranties of Borrower in this Agreement shall survive the making of this Agreement and shall be continuing.

6.1. Financial Statements; Tax Returns. Borrower shall deliver or cause to be delivered to Lender:

(a) Within ninety (90) days after the end of each fiscal year of Borrower, annual financial statements for Borrower for and as of the end of such year, including a balance sheet, a statement of income and expense, a cash flow statement and a rent roll for the Project, which shall be prepared on a compilation basis by the Controller of Cedar Operating Partnership and certified as true and correct by Cedar Operating Partnership;

(b) Within ten (10) days after filing with the Securities Exchange Commission, any quarterly or annual report, or any interim Form 8-K, as the case may be, financial statements for Cedar REIT and Cedar Operating Partnership, a consolidated basis, for and as of the end of such year, including a balance sheet, a statement of income and expense and a cash flow statement, prepared on a GAAP basis and audited by an independent certified public accounting firm acceptable to Lender;

(c) Within ten (10) days after each filing of it to the Securities Exchange Commission, a copy of Cedar REIT's Form 10-K as so filed.

(d) Within thirty (30) days after the end of each quarter-annual fiscal period of Borrower, a statement of income and expense, a rent roll and a security deposit inventory for the Project, which shall be prepared by management of Borrower and certified as true and correct by Cedar Operating Partnership, together with evidence of payment of all real estate taxes that became due and payable during such period;

(e) Within thirty (30) days after the filing thereof, copies of federal and state income tax returns for Borrower and Guarantors, in each case certified as true and correct copies of such returns as filed by the preparer thereof.

(f) Such other financial information regarding Borrower and Guarantors as Lender may reasonably request from time to time.

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All such financial information shall be in a form reasonably acceptable to Lender.

6.2. Net Worth; Liquid Assets.

(a) At all times during the term of the Loan, Guarantors, collectively, shall maintain a Net Worth of at least Thirteen Million Dollars (\$13,000,000) and Liquid Assets of at least One Million Dollars (\$1,000,000). The financial information provided with respect to Guarantors pursuant to Section 6.1 shall include specific calculations of Net Worth and Liquid Assets as required by this Section 6.2 on an annual basis. Compliance or non-compliance, as the case may be, with the foregoing covenants regarding Net Worth and Liquid Assets shall be certified by Guarantors on a semi-annual basis within ninety (90) days after each June 30 and December 31.

(b) For purposes hereof: (i) "Net Worth" shall mean, at any particular time, an amount equal to the difference between all tangible assets and all liabilities, as certified by Guarantors, on a fair market value basis (which fair market value determination shall be reasonably acceptable to Lender) with respect to income producing real estate assets, on a cost basis with respect to non-income producing real estate assets and on the basis of tax accounting principles with respect to assets other than real estate assets; and (ii) "Liquid Assets" shall mean, at any particular time, an amount equal to the sum of all unencumbered and unrestricted cash and equivalents and all unencumbered and unrestricted marketable securities, as certified by Guarantors.

6.3. Debt Service Coverage Determinations.

(a) Borrower shall deliver to Lender, with respect to (i) the verification of the representation and warranty set forth in Section 5.2(c)(ii), (ii) the requirements to be satisfied as conditions to reductions of the Adjusted LIBOR Rate and Adjusted Prime Rate pursuant to Section 1.1 and (iii) the requirements to be satisfied as a condition to the extension of the Original Maturity Date pursuant to Section 4.1(b), financial information setting forth the basis for and calculation of Borrower's Net Operating Income and Debt Service Coverage Ratio, which information provided by Borrower to Lender shall be subject to review and confirmation by Lender and notice thereof from Lender to Borrower ("Debt Service Coverage Determination").

(b) For purposes hereof:

(i) "Debt Service Coverage Ratio" shall mean, for a particular

twelve (12) month period, the ratio of Net Operating Income for such twelve (12) month period to Debt Service for such twelve (12) month period;

(ii) "Net Operating Income" shall mean the lesser of (A) an amount equal to the projected gross income (including any expense reimbursements) determined on a cash basis with respect to the Project, consisting of, without duplication, income from the Approved Leases (but only to the extent the tenants thereunder are in occupancy, the rents thereunder are not more than thirty (30) days past due and no notices of termination or intent to vacate thereunder have been made, all as of the time such Debt Service Coverage Determination is made) for the following twelve (12) month period determined on

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an annualized basis based upon actual results for the immediately preceding twelve (12) month period and any known variations applicable to the following twelve (12) month period, or (B) an amount equal to ninety-five percent (95%) of such gross income which would be received by Borrower if one hundred percent (100%) of the leasable area of the Buildings was leased at the same relative rental rates, in either case less projected operating expenses relating to the Project for the following twelve month period determined on an annualized basis based upon actual results for the immediately preceding twelve (12) month period and any known variations applicable to the following twelve (12) month period, which operating expenses shall be reasonable and customary for similar properties in the same geographic area as the Project and shall include management fees pursuant to the Existing Management Agreement or other management agreement acceptable to Lender or management fees equal to five percent (5%) of such projected gross income, whichever are greater, and reserves for capital repairs and replacements in an amount equal to fifteen cents (\$0.15) per square foot of leasable area of the Buildings, but shall not include Debt Service, any income taxes or non-cash items; and

(iii) "Debt Service" shall mean an amount equal to the projected total interest payments which would be made under the Loan for the immediately following twelve (12) month period based upon and assuming (A) a principal amount equal to the unpaid principal balance of the Loan outstanding on the effective date of the Debt Service Coverage Determination and (B) a fixed annual interest rate (1) with respect to the Rate Protected Portion of the Loan, determined by adding the interest rate under the Interest Rate Protection Agreement to the Adjusted LIBOR Rate spreads applicable to the Constant Spread Portion of the Loan and the Variable Spread Portion of the Loan on the effective date of the Debt Service Coverage Determination in proportion to the respective principal amounts thereof and (2) with respect to the balance of the Loan, if any, the Adjusted LIBOR Rates then applicable to the Constant Spread Portion of the Loan and the Variable Spread Portion of the Loan on the effective date of the Debt Service Coverage Determination in proportion to the respective principal amounts thereof. For purposes of the Debt Service Coverage Determination being made to verify the representation and warranty set forth in Section 5.2(c)(ii), the effective date of such Debt Service Coverage Determination shall be the Closing Date.

6.4. Reports. Borrower shall deliver or cause to be delivered to Lender:

(a) As soon as possible after Borrower has knowledge of the occurrence of any Default or Event of Default, a written statement by Borrower setting forth details of such Default or Event of Default, stating whether or not the same is continuing, and if so, the action that Borrower proposes to take with respect thereto;

(b) Immediately after receiving notice thereof, notice in writing of all actions, suits and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, if an adverse result thereof could impose uninsured liability in excess of \$25,000 on Borrower or Guarantors, or otherwise have a material adverse effect on the financial condition, prospects, property or business of Borrower or Guarantors; and

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(c) Such other information regarding the business, properties, condition and operations (financial or otherwise) of Borrower and Guarantors as Lender may at any time and from time to time reasonably request be furnished to it.

6.5. Maintenance of Existence; Composition; Business.

(a) (i) Borrower shall maintain its existence as a single purpose

Delaware LLC, shall maintain Cedar Operating Partnership as its sole member. Borrower shall not permit Cedar Operating Partnership or any of Borrower's limited partners to pledge, assign or grant a security interest in or otherwise transfer any ownership interest in Borrower except as security for the Subordinate Loan or as otherwise provided in Section 6.6.

(i) Borrower shall cause Cedar Operating Partnership (A) to maintain its existence as a Delaware limited partnership and (B) to maintain Cedar REIT as its sole general partner and the legal and beneficial owner of at least twenty percent (20%) of the ownership interest of Cedar Operating Partnership.

(ii) Borrower shall cause Existing Manager to maintain its existence as a New York limited liability company and to maintain Leo S. Ullman as its chief executive officer and the legal and beneficial owner of the majority of the ownership interests of Existing Manager.

(b) Borrower shall advise Lender of the nature of any changes in its Limited Liability Company Agreement or Certificate of Formation promptly after any such changes, and Borrower shall not change such Limited Liability Agreement or Certificate of Formation in any manner which would adversely affect its ability to perform any of its obligations under any of the Loan Documents, without in each case obtaining the prior written approval of Lender. Borrower shall not engage in any other business, venture or undertaking except the ownership, development, operation and maintenance of the Project. Borrower shall not dissolve, merge or consolidate with any other Person or sell, transfer or otherwise dispose of any of its assets except in the ordinary course of business. Borrower shall not make any cash or other distributions (whether in the nature of a return of capital, a distribution of profits or otherwise) to any of its partners, unless in each case such distribution is otherwise in compliance with the Loan Documents and there is no Event of Default then in existence under any of the Loan Documents. Borrower shall not assume, guarantee, endorse or otherwise become contingently liable upon, or responsible for, any obligations of others, except to endorse checks or drafts in the ordinary course of business.

6.6. Transfer of Project. Borrower shall not, without in each case obtaining Lender's prior written consent, (a) except for Approved Leases, sell or transfer, or further encumber, whether voluntarily, involuntarily or by operation of law, or contract to sell or transfer, the Project or any part thereof, directly or indirectly, including, but not limited to, by deed, installment sale, long-term lease or assignment of lease, or (b) sell or transfer or permit any Person to sell or transfer, whether voluntarily, involuntarily or by operation of law, directly or indirectly, any ownership interest in Borrower, provided that there may be transfers of membership interests in Borrower so long as Cedar Operating Partnership remains the legal and beneficial owner of the majority of the ownership interests in Borrower, and

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provided, further that membership interests in Borrower may be pledged to Subordinate Lender to secure the Subordinate Loan. Any consent given by Lender hereunder shall pertain only to the proposed transfer for which the consent was requested and shall not obligate Lender to approve any further transfers or relieve any Person of liability to pay thereon.

6.7. Borrower Indebtedness. Borrower shall not at any time create, incur, assume or suffer to exist any indebtedness of Borrower except (a) indebtedness represented by the Loan, (b) other indebtedness of Borrower to Lender, (c) unsecured indebtedness to its members, provided that there shall be no repayment of any such indebtedness if there is an Event of Default then in existence under any of the Loan Documents, and (d) accounts payable to trade creditors arising out of purchases of goods or services in the ordinary course of business, provided that (i) each such account payable is payable not later than thirty (30) days after the original invoice date according to the original terms of sale and (ii) each such account payable is not overdue by more than thirty (30) days according to the original terms of sale, unless Borrower is disputing the amount or validity of same in good faith.

6.8. Leases.

(a) After the Closing Date Borrower shall not enter into any lease agreement affecting any portion of the Project other than an Approved Lease. For purposes hereof, an "Approved Lease" shall mean (i) each Existing Lease, (ii) any fully executed lease agreement between Borrower and a particular tenant relating to any portion of the Project which is on a form of lease which has been approved in writing by Lender, provides for a term of no more than five (5) years and covers less than 5,000 square feet of leasable space in the Buildings, and (iii) any lease which has been approved in writing by Lender. In any event, not more than five percent (5%) of the leasable space in the Buildings shall be

leased to any one or more Affiliates of Borrower or either Guarantor or any Person which is indebted to Borrower or either Guarantor or any Person in which Borrower or either Guarantor possesses an ownership interest. Within ten (10) Business Days after receipt by Lender of Borrower's written request for Lender's approval or rejection of a proposed Approved Lease together with a copy of such proposed Approved Lease, Lender shall notify Borrower whether it approves or rejects such proposed Approved Lease; if Lender fails to so notify Borrower within such time period, Lender shall be deemed to have approved such proposed Approved Lease. If required by Lender, in conjunction with the execution of an Approved Lease relating to any portion of the Project, the tenant thereunder shall execute an Estoppel Certificate and Subordination, Non-Disturbance and Attornment Agreement in form and substance satisfactory to Lender.

(b) Without in each case obtaining the prior written consent of Lender, Borrower shall not (i) cancel or terminate or accept the surrender of any Approved Lease other than by the terms of such Approved Lease or following a default by the tenant thereunder, (ii) amend, modify or otherwise change any Approved Lease so as to decrease the term or reduce the rental due, or discount, compromise or forgive any amounts due, or diminish any tenant's obligation with regard to the payment of taxes, insurance and other sums, (iii) permit the payment of rent more than thirty (30) days in advance of the due date under any Approved Lease, or anticipate, encumber or assign the rents or any part thereof or any interest therein, (iv) release any guarantor or surety of any tenant's obligations under any Approved Lease, (v) waive any material default under or

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material breach of any Approved Lease, or (vi) take any other action in connection with any Approved Lease which would materially impair the value of the rights or interests of Borrower thereunder.

(c) Borrower shall promptly (i) perform all of the provisions of the Approved Leases on the part of the landlord thereunder to be performed, (ii) enforce all of the material provisions of the Approved Leases on the part of the tenants thereunder to be performed, (iii) appear in and defend any action proceeding arising under, growing out of or in any manner connected with the Approved Leases or the obligations of Borrower as landlord or of the tenants thereunder, and (iv) deliver to Lender, within ten (10) days after request by Lender, a written statement containing the name of all tenants, the terms of all Approved Leases and the spaces occupied and rentals payable thereunder, and a statement of all Approved Leases which are then in default, including the nature and magnitude of the default.

6.9. Management Agreements. Except for the Existing Management Agreement, Borrower shall not enter into any management agreement affecting any portion of the Project without in each case obtaining the prior written approval of Lender with respect to the identity of the proposed manager and the terms and conditions of the proposed management agreement, and Borrower shall not amend, modify or terminate the Existing Management Agreement or any previously approved management agreement without in each case obtaining the prior written approval of Lender. Without limiting the generality of the foregoing, Borrower agrees, and each management agreement including the Existing Management Agreement shall provide by its terms or in a separate document, that such management agreement shall be terminable without penalty or premium by Lender or its nominee following the occurrence of an Event of Default or at Lender's discretion, as set forth in the Mortgage, and that all payments under such management agreement are under and subject and subordinate in lien and priority of payment to the payment of all principal and interest under the Loan. Borrower will cause the manager including the Existing Manager to promptly perform and observe all of the covenants required to be performed and observed by such manager under such management agreement, promptly notify Lender with respect to any default under such management agreement and promptly deliver to Lender a copy of each notice, report, plan or statement delivered by such manager to Borrower pursuant to such management agreements.

6.10. Property, Liability and Other Insurance. Borrower shall obtain and maintain (or cause to be obtained and maintained) during the term of the Loan, at its sole cost and expense and for the mutual benefit of Borrower and Lender, the following policies of insurance with respect to the Project:

(a) Insurance against loss or damage by fire, lightning, windstorm, hail, explosion, vandalism, acts of terrorism, malicious mischief and damage from aircraft and vehicles, and smoke damage from such other hazards as are presently included in standard "all risk" property insurance in the same geographic area in which the Project is located. The amount of such insurance shall be as required by Lender from time to time, but not less than 100% of the "full replacement cost" of the buildings, structures, improvements and fixtures without deduction for depreciation (but excluding the value of roads, foundations, parking areas and similar improvements). During any period while the buildings and improvements on the Premises are being constructed or reconstructed or rehabilitated, the fire insurance required pursuant to this

completed value, non-reporting basis, including collapse and transit coverage, with deductibles not to exceed \$10,000, a "soft cost" endorsement in an amount satisfactory to Lender and such other endorsements as Lender may reasonably require.

(b) Business interruption or rent loss insurance each in an amount as required by Lender from time to time but not for a period in excess of twelve (12) months and based on gross rents payable under all leases.

(c) Flood insurance if any part of the Project is located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Program, in an amount equal to the lesser of the stated principal amount of the Loan and the maximum limit of coverage available with respect to the Project under such program.

(d) Comprehensive general public liability insurance against claims for bodily injury or death and property damage occurring upon, in or about the Project to afford protection to the limit of not less than \$1,000,000 per occurrence for bodily injury (including death) and property damage, with umbrella coverage of not less than \$5,000,000. Such insurance shall be written on an "occurrence" basis rather than a "claims" basis to the extent obtainable at commercially reasonable rates.

(e) Worker's compensation insurance in an amount equal to Borrower's full statutory liability and covering all of Borrower's or Existing Manager's employees, if any, wherever located.

(f) Such other insurance on the Project, or any replacements or substitutions therefor, or additions thereto, and in such amounts as may from time to time be reasonably required by Lender against other insurable hazards or casualties which at the time are commonly insured against in the case of premises similarly situated.

Borrower also shall comply with all requirements regarding insurance set forth in the Mortgage and, in the event of any conflict between the insurance provisions in this Agreement and such provisions in the Mortgage, such provisions in the Mortgage shall control.

6.11. Appraisals. In addition to the appraisals required pursuant to Section 7.2(a), Lender shall be entitled to order and obtain an appraisal of the Project at any time and from time to time during the term of the Loan. Such appraisals shall be paid for by Lender; provided, however, that upon the occurrence and during the continuance of an Event of Default, Borrower shall pay for such appraisals to the extent they are requested and provided to Lender not more than once during any six (6) month period.

6.12. Environmental Reports. In addition to the Phase I environmental report required pursuant to Section 7.2(a), Lender shall be entitled to order and obtain an environmental report of the Project at any time and from time to time during the term of the Loan. Such environmental reports shall be paid for by Lender; provided, however, that upon the occurrence and during the continuance of an Event of Default, Borrower shall pay for such environmental reports to the extent they are requested and provided to Lender not more than once during any six (6) month period.

6.13. Bank Accounts. Borrower shall maintain with Lender all bank accounts relating to the Project, including construction deposit accounts, operating accounts and security deposit accounts. If Borrower fails to comply with the covenant contained in this Section 6.13, Lender shall have the right, in addition to such other rights and remedies as are available to it under this Agreement or otherwise, to increase by fifty (50) basis points the Adjusted LIBOR Rate or Adjusted Prime Rate otherwise applicable to the unpaid principal balance of the Loan, other than the Rate Protected Portion of the Loan, for and during such period of non-compliance.

6.14. Regulation U. No portion of the proceeds of the Loan shall be used, in whole or in part, for the purpose of purchasing or carrying any "margin stock" as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System.

6.15. Broker's Fees. Borrower agrees to pay any and all fees, commissions and other compensation payable to any broker, finder or other intermediary in connection with the Loan (including, without limitation, the Broker) to the extent contracted by Borrower, and to indemnify, defend and hold harmless Lender from and against any and all claims, demands, losses or liabilities arising out of any claim for the payment of such charges.

6.16. Lender's Costs. Borrower shall pay or reimburse Lender for all reasonable out-of-pocket and all extraordinary costs and expenses (including but not limited to reasonable attorneys' fees) incurred by Lender in connection with the preparation, review, modification and enforcement of the Loan Documents and the administration and collection of the Loan.

6.17. Loan Fee. As compensation for the expenses of underwriting and evaluating the Loan, Borrower shall pay to Lender on the date hereof the sum of \$105,000 ("Loan Fee"), less any portion thereof previously paid by Borrower to Lender. The Loan Fee shall be in addition to the interest and any and all other amounts which Borrower is required to pay under the Loan Documents.

ARTICLE 7
CONDITIONS PRECEDENT TO LOAN ADVANCES

The making of the Advance of the Loan by Lender to Borrower on the Closing Date is subject to the satisfaction of the following conditions precedent:

7.1. Delivery of Loan Documents. The Loan Documents shall have been properly executed by Borrower, Guarantors and the other parties thereto, as applicable, and delivered to Lender. The Mortgage, Assignment of Leases, Financing Statements and other documents intended to be placed of record shall have been duly recorded or filed in the appropriate public offices.

7.2. Delivery of Other Documents. The following shall have been delivered to Lender at Borrower's expense, each of which must be in form and substance satisfactory to Lender:

(a) Appraisal. An MAI appraisal of the Project prepared at Borrower's expense by an appraiser acceptable to Lender in accordance with the requirements of Title 11 of FIRREA which shall indicate that the stated

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principal amount of the Loan is no greater than eighty percent (80%) of the fair market value of the Project on an "as stabilized" basis, and which otherwise shall be satisfactory in form and substance to Lender.

(b) Property Condition Report. An engineer's report regarding the physical condition and structural integrity of the Buildings, which report shall be satisfactory in form and substance to Lender and performed at Borrower's expense by an independent engineer acceptable to Lender.

(c) Environmental Report. A Phase I environmental report of the Project satisfactory in form and substance to Lender and performed at Borrower's expense by an independent environmental engineer acceptable to Lender.

(d) Title Insurance. A marked-up title report of a reputable title insurance company satisfactory to Lender and licensed to do business in the Commonwealth of Pennsylvania, representing that company's commitment to issue in favor of Lender, but at the expense of Borrower, a standard ALTA mortgagee title insurance policy, insuring the lien of the Mortgage as a first lien on Borrower's fee simple interest in the Project, free and clear of all prior liens (including possible mechanics' liens) and encumbrances, subject only to such objections and exceptions as Lender may approve and containing such affirmative endorsements as Lender may require. It shall also be Borrower's responsibility to comply with any reinsurance requirements stipulated by Lender and to cause evidence of such reinsurance (with rights of direct access) to be provided in a form acceptable to Lender.

(e) Property, Liability and Other Insurance. Evidence of such insurance as Lender may require pursuant to Section 6.10 and the Mortgage.

(f) Survey. A plan of survey of the Premises prepared for and certified to Lender, by a registered land surveyor approved by Lender. The survey shall show the location and width of all easements and encroachments affecting the Premises, the location of all Improvements, curb-cuts, flood hazard areas and bodies of water abutting the Premises and all roads and utility lines abutting the Premises and shall certify whether the roads are publicly dedicated. The survey shall comply with the minimum detail requirements for land title surveys as adopted by the American Land Title Association and American Congress on Surveying and Mapping, shall be dated currently and shall be otherwise satisfactory to Lender.

(g) Separate Tax Lot. Evidence satisfactory to Lender that the Premises constitutes a separate lot for real estate tax and assessment purposes, and that the enforcement of any of the rights or remedies of Lender under the Loan Documents (including, without limitation, the right to cause any of the Premises to be sold at judicial or non-judicial sale) shall not be subject to or conditioned upon obtaining any Governmental Approvals.

(h) Utility Services. Evidence that adequate utility services are available at the Premises, including water, sewer, electric and gas.

(i) Governmental Approvals; Compliance with Laws. Evidence satisfactory to Lender that all Governmental Approvals have been obtained and remain in full force and effect, and that the ownership and operation of the Project is in compliance with all applicable Laws.

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(j) Existing Management Agreement. An executed copy of the Existing Management Agreement which shall be subject to review and approval by Lender. The Existing Management Agreement shall provide by its terms or in a separate document that the Existing Management Agreement shall be terminable without penalty or premium by Lender or its nominee following the occurrence of an Event of Default and that all payments under the Existing Management Agreement are under and subject and subordinate in lien and priority of payment to the payment of all principal and interest under the Loan.

(k) Organizational Documents of Borrower. Copies of Borrower's Limited Liability Company Agreement and Certificate of Formation, together with any amendments thereto, and resolutions or other evidence of authority of Cedar Operating Partnership and the limited partners of Borrower authorizing the transaction contemplated by this Agreement, certified to be true, correct, and complete by Cedar Operating Partnership, together with current subsistence certificate for Borrower issued by the Commonwealth of Pennsylvania.

(l) Organizational Documents of Cedar Operating Partnership. Copies of Cedar Operating Partnership's Partnership Agreement and Certificate of Limited Partnership, together with any amendments thereto, certified to be true, correct and complete by Cedar REIT, together with good standing certificate for Cedar Operating Partnership issued by the State of Delaware.

(m) Organizational Documents of Existing Manager. Copies of Existing Manager's Operating Agreement and Certificate of Formation, together with any amendments thereto, and resolutions of the members of Existing Manager authorizing the execution and performance of the Existing Management Agreement, certified to be true, correct and complete by Leo S. Ullman or Brenda J. Walker, together with good standing certificate for Existing Manager issued by the State of New York and subsistence certificate for Existing Manager issued by the Commonwealth of Pennsylvania.

(n) Financial Statements. Financial statements and tax returns for Guarantors for and as of the end of each of the last three (3) years preceding the Closing Date.

(o) Legal Opinion. The favorable opinion of counsel to Borrower and Guarantors addressed to Lender, in form and substance satisfactory to Lender, covering such matters as Lender may require.

7.3. Other Documentary Requirements. Borrower shall have furnished to Lender such other instruments, documents and opinions as Lender shall require to evidence and secure the Loan and to comply with the provisions of this Agreement and the requirements of regulatory authorities to which Lender is subject.

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7.4. Borrower Equity. Borrower shall have furnished to Lender evidence satisfactory to Lender that Borrower has (a) expended from its own funds at least \$3,200,000 on account of the purchase price of the Project, and (b) expended from its own funds (or, to the extent not so expended, placed in a restricted account with Lender for expenditure in connection with the Project, subject to Lender's prior written approval) at least \$872,750 on account of soft costs and closing costs of the Project.

7.5. Fees, Charges, and Premiums. Borrower shall have paid all premiums on insurance policies required by the Mortgage, all conveyancing and

recording charges in connection with the closing of the Loan, the Loan Fee, all legal fees and disbursements of Lender's attorneys in connection with this transaction, and for any transfer or documentary stamp taxes due under any Federal, State or municipal Law.

ARTICLE 8
EVENTS OF DEFAULT

8.1. Events of Default. The occurrence of any one or more of the following shall, at the option of Lender, constitute an event of default (each, an "Event of Default") hereunder (except for defaults under subsection 8.1(f) or (g) below, each of which shall automatically and without any action by Lender constitute an Event of Default hereunder):

(a) Any representation or warranty or financial statement of Borrower or Guarantors under this Agreement or under any of the other Loan Documents shall be untrue in any material adverse respect when made (including by omission of material information necessary to make such representation or warranty or financial statement not misleading);

(b) Borrower shall have failed to observe and perform any of the terms, covenants, promises and agreements on its part to be observed and performed under this Agreement and, except for the events specified in the following subsections of this Section 10.1 (which shall be subject to the grace or cure periods, if any, provided therein), such Default shall not have been cured within thirty (30) days after written notice of such default shall have been given to Borrower; provided that, if such Default is curable but not reasonably capable of cure within such thirty (30) day period, Borrower shall have such further period, not to exceed a period of sixty (60) days in the aggregate, as may be required to cure such Default, on the condition that Borrower commences such cure within the original thirty (30) day period and thereafter diligently prosecutes such cure to completion;

(c) Borrower shall have failed to make any payment of principal or interest on the Loan when due, and such Default, other than with respect to the final payment of principal on the Original Maturity Date or Extended Maturity, whichever is applicable (as to which no cure period applies), shall not be cured within eight (8) days after such due date;

(d) An Event of Default shall have occurred under any other Loan Document;

(e) Any event of default (after giving effect to any applicable notice and cure periods) shall have occurred under any Hedging Contract or other documents creating Hedging Obligations;

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(f) A petition shall have been filed by Borrower or either Guarantor under any of the provisions of the United States Bankruptcy Code, as amended, or any other Federal or state insolvency or similar Law; or such petition shall have been filed against Borrower or either Guarantor or a receiver shall have been appointed in a debtor's proceeding for Borrower or either Guarantor or any part of its property or assets, or for the Premises or the Improvements, and such petition or receivership shall continue unstayed and in effect for a period of ninety (90) days;

(g) Borrower or either Guarantor shall have made an assignment for the benefit of its creditors;

(h) There shall have occurred a material adverse change in the financial condition of Borrower or either Guarantor, as determined by Lender; or

(i) Any execution shall have been levied against any part of the Project or against any other property of Borrower and shall continue unstayed and in effect for a period of sixty (60) days.

8.2. Remedies. Upon the occurrence of any Event of Default, Lender may exercise any or all of the following rights and remedies as Lender may deem necessary or appropriate:

(a) Declare immediately due and payable all monies advanced hereunder which are then unpaid, with all arrearages of interest, and accordingly accelerate payment thereof;

(b) Enter upon the Project and take possession thereof, together with the Improvements (whether in the course of construction or completed), and all materials, supplies, tools, equipment and construction

facilities and appliances located thereon, and proceed either in the name of Lender or in the name of Borrower, as Lender shall elect. For this purpose, Borrower agrees that Lender shall have the right, and hereby irrevocably constitutes and appoints Lender its true and lawful attorney-in-fact coupled with an interest, with full power of substitution, (i) to use any funds of Borrower (including any funds which may be held in a cash collateral account and any funds which remain unadvanced hereunder, which Borrower for such purpose hereby quitclaims to Lender) for payment of the Loan, (ii) to pay, settle or compromise all existing bills and claims which are or may be liens against the Project or may be necessary or desirable for the clearance of title, (iii) to prosecute and defend all actions or proceedings in connection with the Project and to take such action and require such performance as Lender deems necessary, and (iv) generally to do any and every act with respect to the construction, occupancy and use of the Project as Borrower may do in its own behalf; and any sums expended or incurred by Lender for any of the foregoing purposes shall be added to the indebtedness evidenced by the Note, shall be secured by the Mortgage and the other Loan Documents and shall be paid by Borrower to Lender on demand with interest thereon at the Default Rate until paid;

(c) Exercise all other remedies available to Lender under any of the Loan Documents (subject to any applicable limitations on liability contained in the Loan Documents), or available to Lender under applicable Law, it being the intention of the parties that the remedies provided in this Agreement shall be in addition to and not in substitution of the rights

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and remedies which would otherwise be vested in Lender at law or in equity, all of which rights and remedies are specifically reserved by Lender, and the failure of Lender to exercise any remedy herein provided shall not constitute a waiver by Lender nor preclude the resort to any other appropriate remedy or remedies herein provided or prevent the subsequent or concurrent resort to any other remedy or remedies which by law or equity shall be vested in Lender for the recovery of damages or otherwise in the event of a breach of any of the undertakings of Borrower hereunder, and any waiver by Lender of any rights or remedies hereunder must, to be effective, be in writing, and such waiver shall be limited in its effect to the condition or default specified therein, but no such waiver shall extend to any subsequent condition or default or impair any right consequent thereon;

(d) If an Event of Default specified in subsections (f) or (g) of Section 8.1 shall occur or exist, then, in addition to all other rights and remedies which Lender may have hereunder or under any other Loan Document, at law, in equity or otherwise, the unpaid principal amount of the Loan, interest accrued thereon and all other obligations of Borrower to Lender shall become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby waived, and an action therefor shall immediately accrue, and in addition, Lender may exercise such other remedies as may be available to Lender under applicable Law;

(e) It is agreed that, in addition to all other rights hereunder or under Law, Lender shall have the right to institute proceedings in equity or other appropriate proceedings for the specific performance of any covenant or agreement made in any of the Loan Documents or for an injunction against the violation of any of the terms of any of the Loan Documents or in aid of the exercise of any power granted in any of the Loan Documents or by Law or otherwise;

(f) Lender shall have and is hereby granted, as security for all liabilities of Borrower to Lender, a right of set-off, a lien upon and a security interest in all property of Borrower now or at any time hereafter in Lender's possession in any capacity whatsoever, including, without limitation, any balance or share of (i) any deposit, trust or agency account and (ii) any proceeds, payments or other amounts which Borrower has received or will receive with respect to or under any Hedging Contract.

(g) In the event that any proceeding is instituted on this Agreement or judgment is entered on any note, bond, separate warrant of attorney or mortgage for recovery and reimbursement of any sum expended by Lender or its representatives in connection with the completion of the Improvements, a statement of such expenditures, verified by the affidavit of an officer of Lender, shall be prima facie evidence of the amounts so expended and of the propriety of and necessity for such expenditures, and the burden of proving the contrary shall be upon Borrower.

(h) During the continuance of any Event of Default, Lender is appointed as attorney-in-fact of Borrower for the purposes of carrying out the provisions of this Section 8.2 and taking any action and executing any instruments which Lender may deem necessary or advisable to accomplish the

purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest.

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ARTICLE 9
MISCELLANEOUS

9.1. Notices. Unless otherwise expressly provided under this Agreement all notices, requests, demands, directions and other communications (collectively "notices") given to or made upon any party under the provisions of this Agreement (and unless otherwise specified, in each other Loan Document) shall be in writing and shall be delivered by hand, nationally recognized overnight courier or U.S. mail to the respective parties at the following addresses or in accordance with any subsequent unrevoked written direction from any party to the others:

If to Borrower:

Cedar-Camp Hill, LLC
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Attention: Leo Ullman

with a copy to:

Stuart H. Widowksi, Esquire
Cedar-Camp Hill, LLC
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050

If to Lender:

Citizens Bank Of Pennsylvania
2001 Market Street, 6th Floor
Philadelphia, Pennsylvania 19103-7053
Attention: Real Estate Department

with a copy to:

Pepper Hamilton LLP
400 Berwyn Park
899 Cassatt Road
Berwyn, Pennsylvania 19312
Attention: David H. Huggler, Esq.

All notices shall, except as otherwise expressly provided in this Agreement, be effective (a) in the case of hand-delivered notice, when hand delivered, (b) if given by U.S. mail, three (3) Business Days after such communication is deposited in the mails with overnight first class postage prepaid, return receipt requested, and (c) if given by any other means (including by air courier), when delivered.

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9.2. Prior Understandings; Entire Agreement. This Agreement and the other Loan Documents supersede all prior and contemporaneous understandings and agreements, whether written or oral, among the parties hereto relating to the transactions provided for herein and therein except as expressly provided otherwise. This Agreement and the other Loan Documents represent the entire agreement between the parties to this Agreement with respect to the transactions contemplated hereby or thereby and, except as expressly provided herein or in the other Loan Documents, shall not be affected by reference to any other documents.

9.3. Severability. Every provision of this Agreement and each

of the other Loan Documents is intended to be severable, and if any term or provision of this Agreement or any of the other Loan Documents shall be invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby, and any invalidity, illegality or unenforceability in any jurisdiction shall not affect the validity, legality or enforceability of any such term or provision in any other jurisdiction. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, this Agreement shall, as to such jurisdiction, be deemed amended to modify or delete, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it or them valid and enforceable to the maximum extent permitted by applicable Law, without in any manner affecting the validity or enforceability of such provision or provisions in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

9.4. Descriptive Headings; Governing Law. The descriptive headings of the several sections of this Agreement are inserted for convenience only and shall not affect the meaning or construction of any of the provisions of this Agreement. This Agreement and the rights and obligations of the parties under this Agreement and under the other Loan Documents shall be construed in accordance with and shall be governed by the laws of the Commonwealth of Pennsylvania.

9.5. Publicity. Lender shall have the right, from time to time hereafter, after reasonable consultation with Borrower, to publicize and advertise in any manner Lender's extension of the Loan for the benefit of the Project.

9.6. Non-Merger of Remedies. The covenants and obligations of Borrower and the rights and remedies of Lender hereunder and under the other Loan Documents shall not merge with or be extinguished by the entry of a judgment hereunder or thereunder, and such covenants, obligations, rights and remedies shall survive any entry of a judgment until payment in full of the Obligations. All obligations under the Loan Documents shall continue to apply with respect to and during the collection of amounts due under the Loan Documents or the proof and allowability of any claim arising under this Agreement or any other Loan Document, whether in bankruptcy or receivership proceedings or otherwise, and in any workout, restructuring or in connection with the protection, preservation, exercise or enforcement of any of the terms of this Agreement or of any rights under this Agreement or under any other Loan Document or in connection with any foreclosure, collection or bankruptcy proceedings. Without limiting the generality of the foregoing, the post-judgment interest rate shall be the applicable Default Rate.

9.7. No Implied Waiver; Cumulative Remedies. No course of dealing and no delay or failure of Lender in exercising any right, power or privilege under this Agreement or any other Loan Document shall affect any other

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or future exercise thereof or exercise of any other right, power or privilege; nor shall any single or partial exercise of any such right, power or privilege or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of Lender under this Agreement and any other Loan Document are cumulative and not exclusive of any rights or remedies which Lender would otherwise have hereunder or thereunder, at law, in equity or otherwise. Any waiver of a specific default shall be effective only as to such specific default and shall not apply to any subsequent default.

9.8. Amendments. Any term, covenant, agreement or condition of any Loan Document to which Lender is party may be amended, and any right under the Loan Documents may be waived, if, but only if, such amendment or waiver is in writing and is signed by Lender.

9.9. Successors and Assigns.

(a) Assignments by Borrower. Without the prior written consent of Lender, Borrower may not assign any of its rights or delegate any of its duties or obligations under this Agreement or any other Loan Document.

(b) Participations by Lender. Lender may sell participations to one or more Eligible Institutions of all or a portion of its rights and obligations under this Agreement; provided, however, that (i) Lender's obligations under this Agreement shall remain unchanged, (ii) Lender shall remain solely responsible to Borrower for the performance of its obligations under this Agreement, (iii) all amounts payable by Borrower under this Agreement shall be determined as if Lender had not sold such participation and no participant shall be entitled to receive any greater amount pursuant to

this Agreement than Lender would have been entitled to receive in respect of the amount of the participation transferred by Lender to such participant had no such transfer occurred, (iv) such participant shall agree to be bound by the provisions of this Agreement and the other Loan Documents, and (v) Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations under this Agreement, and Lender shall retain the sole rights and responsibility vis-a-vis Borrower to enforce the obligations of Borrower relating to the Loan including the right to approve any amendment, modification or waiver of any provision of this Agreement.

(c) Assignments by Lender. Lender shall have the unrestricted right at any time or from time to time, and without Borrower's or Guarantors' consent, to assign all or any portion of its rights and obligations under the Loan to one or more banks or other financial institutions (each, an "Assignee"), and Borrower and Guarantors agree that they shall execute, or cause to be executed, such documents, instruments and agreements executed in connection herewith as Lender shall deem necessary to effect the foregoing. In addition, at the request of Lender and any such Assignee, Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if Lender has retained any of its rights and obligations hereunder following such assignment, to Lender which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the promissory note held by Lender prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and Lender after giving effect to such assignment; provided, however, that only one set of notes shall be outstanding at one time. Upon the execution and delivery of appropriate

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assignment documentation, amendments and any other documentation required by Lender in connection with such assignment, and the payment by Assignee of the purchase price agreed to by Lender and such Assignee, such Assignee shall be a party to this Agreement and shall have all of the rights and obligations of Lender hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by Lender pursuant to the assignment documentation between Lender and such Assignee, and Lender shall be released from its obligation hereunder and thereunder to a corresponding extent. Borrower shall furnish any information concerning Borrower in its possession from time to time to prospective Assignees, provided that Lender shall require any such prospective Assignees to agree in writing to maintain the confidentiality of such information.

(d) Confidential Information. Borrower acknowledges that participations and assignments by Lender may require that certain confidential information be released to third parties for the purpose of evaluation of the Loan. Lender shall use reasonable efforts to limit the distribution of such confidential information to such third parties and their respective employees and agents. Borrower acknowledges that Lender will not be responsible to Borrower or Guarantors for the actions of third parties because of their disclosure or misuse of the information given to them. Participants and assignees shall be bound by this Section 9.10(d).

9.10. Counterparts; Photocopied or Telecopied Signature Pages. Any Loan Document (other than the Note) may be executed in one or more counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. Delivery of a photocopy or telecopy of an executed counterpart of a signature page to any Loan Document shall be as effective as delivery of a manually executed counterpart of such Loan Document.

9.11. Indemnification.

(a) Borrower shall, upon demand, pay or reimburse Lender for, and indemnify and save Lender and its respective Affiliates, officers, directors, employees, agents, attorneys, shareholders and consultants (collectively, "Indemnitees") harmless from and against, any and all losses, liabilities, claims, damages (excluding consequential damages), expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for such Indemnitee in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto) that may at any time be imposed on, asserted against or incurred by such Indemnitee as a result of, or arising out of, or in any way related to or by any other Loan Document, or any transaction actually or proposed to be financed in whole or in part or directly or indirectly with the proceeds of the Loan, any transaction contemplated by the Loan Documents but excluding any such losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements that Borrower proves were the result of the gross negligence or

willful misconduct of such Indemnitee(s) or arose solely out of disputes between or among Indemnitee(s), as finally determined by a court of competent jurisdiction. If and to the extent that the foregoing obligations of Borrower under this subsection (a), or any other indemnification obligation of Borrower hereunder or under any other Loan Document are unenforceable for any reason, Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable Law.

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(b) The indemnities contained herein shall survive repayment of the Obligations and satisfaction, release, and discharge of the Loan Documents, whether through full payment of the Loan, foreclosure, deed in lieu of foreclosure or otherwise until the expiration of all applicable statutes of limitation and repose.

(c) The foregoing amounts are in addition to any other amounts which may be due and payable to Lender under this Agreement.

9.12. Expenses. Borrower agrees to pay promptly or cause to be paid promptly and to hold harmless:

(a) Lender against liability for the payment of all reasonable out-of-pocket and all extraordinary costs and expenses (including but not limited to reasonable fees and expenses of counsel, including local counsel, auditors, consulting engineers, appraisers, and all other professional, accounting, evaluation and consulting costs) incurred by it from time to time arising from or relating to (i) the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents, (ii) the administration and performance of this Agreement and the other Loan Documents, and (iii) any requested amendments, modifications, supplements, waivers or consents (whether or not ultimately entered into or granted) to this Agreement or any other Loan Document;

(b) Lender against liability for the payment of all reasonable out-of-pocket costs and expenses (including but not limited to reasonable fees and expenses of counsel, including local counsel, auditors, consulting engineers, appraisers, and all other professional, accounting, evaluation and consulting costs) incurred by it from time to time arising from or relating to the enforcement or preservation of rights under, or administration of, this Agreement or any other Loan Document (including but not limited to any such costs or expenses arising from or relating to (i) collection or enforcement of the Loan or other Obligation, and (ii) any litigation, proceeding, dispute, work-out, restructuring or rescheduling related in any way to this Agreement or the other Loan Documents); and

(c) Lender against liability for all stamp, document, transfer, recording, filing, registration, search, sales and excise fees and taxes (other than Lender's income taxes) and all similar impositions now or hereafter determined by Lender to be payable in connection with this Agreement or any other Loan Documents.

9.13. Certain Waivers by Borrower. Borrower hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations (other than notices required to be given by Lender pursuant to the terms of this Agreement or any other Loan Document) and any requirement that Lender exhaust any right or take any action against any other Person or any collateral or other direct or indirect security for any of the Obligations. Without limiting the generality of the foregoing, Borrower acknowledges and agrees that Lender may commence an action against Borrower whether or not any action is brought against any collateral and it shall be no defense to any action brought against Borrower that Lender has failed to bring an action against any collateral.

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9.14. Set-Off. Borrower hereby grants to Lender a continuing lien, security interest and right of setoff as security for all liabilities and obligations to Lender whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Lender and its successors and assigns or in transit to any of them. At any time after an Event of Default, without demand or notice (any such notice being expressly waived by Borrower),

Lender may setoff the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

9.15. Certain Borrower Acknowledgments. Borrower hereby acknowledges that Lender has no fiduciary relationship with, or any fiduciary duty to Borrower arising out of or in connection with this Agreement or any of the other Loan Documents and the relationship between Lender, on the one hand, and Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor.

9.16. Consent to Jurisdiction, Service and Venue; Waiver of Jury Trial.

(a) Consent to Jurisdiction. For the purpose of enforcing payment and performance of the Loan Documents, including, any payment under the Note and performance of other obligations under the Loan Documents, or in any other matter relating to, or arising out of the Loan Documents, Borrower hereby consents to the jurisdiction and venue of the courts of the Commonwealth of Pennsylvania or of any federal court located in such state, waives personal service of any and all process upon it and consents that all such service of process be made by certified or registered mail directed to Borrower at the address provided for in Section 10.1 and service so made shall be deemed to be completed upon actual receipt or execution of a receipt by any Person at such address. Borrower hereby waives the right to contest the jurisdiction and venue of the courts located in the Commonwealth of Pennsylvania on the ground of inconvenience or otherwise and, further, waives any right to bring any action or proceeding against Lender in any court outside the Commonwealth of Pennsylvania. For the purpose of enforcing the performance of obligations by Lender under the Loan Documents, or in any other matter relating to, or arising out of the Loan Documents, Lender hereby consents to the jurisdiction and venue of the courts of the Commonwealth of Pennsylvania or of any federal court located in such state, waives personal service of any and all process upon it and consents that all such service of process may be made by certified or registered mail directed to Lender at the address provided for in Section 9.1 and service so made shall be deemed to be completed upon actual receipt or execution of a receipt by any Person at such address. The provisions of this Section 9.16 shall not limit or otherwise affect the right of Lender to institute and conduct an action in any other appropriate manner, jurisdiction or court.

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(b) WAIVER OF JURY TRIAL; DAMAGES. BORROWER AND LENDER (BY ACCEPTANCE OF THIS AGREEMENT) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF LENDER RELATING TO THE ADMINISTRATION OF THE LOAN OR ENFORCEMENT OF THE LOAN DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS AGREEMENT AND MAKE THE LOAN. EACH PARTY TO THIS AGREEMENT (I) CERTIFIES THAT NEITHER LENDER NOR ANY REPRESENTATIVE, OR ATTORNEY OF LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (II) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT BY, AMONG OTHER THINGS. THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SUBSECTION (B) OF SECTION 9.16. THE PROVISIONS OF THIS SECTION 9.16 HAVE BEEN FULLY DISCLOSED TO THE PARTIES AND THE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION 9.16 WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

9.17. No Third Party Beneficiaries. The parties hereto do not intend the benefits of this Agreement to inure to any third party. Notwithstanding anything contained herein or in the Note, Mortgage, or any other document executed in connection with this transaction, or any conduct or course of conduct by any of the parties hereto, or their respective affiliated

companies, agents or employees, before or after signing this Agreement or any of the other aforesaid documents, this Agreement shall not be construed as creating any rights, claims, or causes of action against Lender, or any of its officers, agents or employees, in favor of any Person other than Borrower.

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9.18. Replacement of Note. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note, or any security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, upon cancellation of such Note or security document in connection with such replacement, Borrower will issue, in lieu thereof, a replacement Note or security document in the same principal amount thereof and otherwise of like tenor.

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IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement as of the date first above written.

CEDAR-CAMP HILL, LLC, a Delaware limited liability company, by its sole member, as follows:

Cedar Income Fund Partnership, L.P., a Delaware limited partnership, by its sole general partner, as follows:

By: Cedar Income Fund, Ltd.

By: _____

Name: Brenda J. Walker

Title: Vice President

CITIZENS BANK OF PENNSYLVANIA

By: _____

Robert L. Schopf
Vice President

Attest: _____
Name: Stuart H. Widowski
Title: Secretary

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Exhibit A

Legal Description

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Exhibit B

Existing Leases

LOAN AGREEMENT

Dated November __, 2002
by and between

CEDAR-CAMP HILL, LLC, as Borrower
and
CITIZENS BANK OF PENNSYLVANIA, as Lender

OPEN-END MORTGAGE AND SECURITY AGREEMENT

(THIS MORTGAGE SECURES FUTURE ADVANCES)

THIS OPEN-END MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") executed on November 14, 2002, to be delivered on November 15, 2002, between CEDAR-CAMP HILL, LLC, a Delaware limited liability company ("Mortgagor"), with an office in care of CEDAR BAY REALTY ADVISORS, INC., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, and CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered savings bank ("Mortgagee"), with an office at 2001 Market Street, 6th Floor, Philadelphia, Pennsylvania 19103-7053.

Background

Mortgagor is indebted to Mortgagee in the stated principal amount of Fourteen Million Dollars (\$14,000,000) (the "Loan"), advanced or to be advanced in accordance with a Loan Agreement dated this date between Mortgagor and Mortgagee (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"), as evidenced by, and to be repaid with interest thereon in accordance with, a Promissory Note (as the same may be extended, renewed, refinanced, refunded, amended, modified or supplemented from time to time, and any replacement or successor note, the "Note") dated this date executed by Mortgagor and made payable to the order of Mortgagee in the stated maximum principal amount of Fourteen Million Dollars (\$14,000,000).

The payment of all of the sums due under the Note, this Mortgage and the other Loan Documents (including, without limitation, all Obligations) and the performance of all of the agreements, conditions, covenants, provisions, and stipulations therein are referred to collectively herein as the "Obligations Secured".

Grant

In consideration of the indebtedness, and as security for the payment and performance of the Obligations Secured, including but not limited to a maximum principal indebtedness outstanding at any time of Fourteen Million Dollars (\$14,000,000) plus accrued and unpaid interest thereon and the unpaid balances of advances made by Mortgagee for the payment of taxes, assessments, maintenance charges and insurance premiums with respect to the Mortgaged Property (as hereinafter defined), expenses incurred by Mortgagee for the protection of the Mortgaged Property or the lien of this Mortgage and expenses incurred by Mortgagee by reason of default by Mortgagor and any advances made by Mortgagee to enable completion of the Improvements, Mortgagor has granted, conveyed, bargained, sold, aliened, enfeoffed, released, confirmed, mortgaged, warranted, and created a security interest in and by these presents does hereby grant, convey, bargain, sell, alien, enfeoff, release, confirm, mortgage and warrant unto Mortgagee, and create a security interest in favor of Mortgagee, in and to Mortgagor's fee simple interest in that certain real estate located at 32nd Street (a/k/a U.S. Route 15) and Trindle Road in Camp Hill, Cumberland County, Pennsylvania, as more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Premises"),

TOGETHER WITH all of Mortgagor's right, title and interest now owned or hereafter acquired in and to:

(a) Any and all improvements now or hereafter located on the Premises, including buildings containing a total of approximately 522,629 leasable square

feet ("Buildings") and related improvements (all such improvements, collectively, the "Improvements").

(b) Any and all buildings, streets, alleys, passages, ways, waters, watercourses, rights, liberties, privileges, improvements, hereditaments and appurtenances mortgaged, or in any way appertaining thereto, and all easements and covenants now existing or hereafter created for the benefit of Mortgagor or any subsequent owner or tenant of the Premises and all rights to enforce the maintenance thereof, and all other rights, liberties and privileges of whatsoever kind or character, and the reversions and remainders, income, rents, issues and profits arising therefrom, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law or in equity, of Mortgagor in and to the Premises or any part thereof.

(c) All fixtures, appliances, machinery, furniture and equipment of any nature whatsoever, and other articles of personal property, owned by Mortgagor, now or at any time hereafter installed in, attached to or situated in or upon the Premises or any buildings and improvements now or hereafter erected thereon,

or used or intended to be used in connection with the Premises, or in the operation of any buildings and improvements now or hereafter erected thereon, or in the operation or maintenance of any such building or improvement, plant or business situate thereon, whether or not the personal property is or shall be affixed thereto (including, but not limited to, chests, chairs, desks, lamps, mirrors, bookcases, tables, rugs, carpeting, drapes, draperies, curtains, shades, venetian blinds, screens, paintings, hangings, pictures, divans, couches, sofas, keys or any entry systems, bars, bar fixtures, liquor and other drink dispensers, icemakers, radios, television sets, intercom and paging equipment, electric and electronic equipment, dictating equipment, private telephone systems, medical equipment, potted plants, fitness center equipment, heating, lighting and plumbing fixtures, fire prevention and extinguishing apparatus, heating, cooling and air-conditioning systems, elevators, escalator, fittings, plants, apparatus, stoves, ranges, refrigerators, machinery, engines, dynamos, motors, boilers, incinerators, switchboards, conduits, compressors, vacuum cleaning systems, floor cleaning, waxing and polishing equipment, call systems, brackets, electrical signs, bulbs, bells, conveyors, cabinets, lockers, shelving equipment, and all fixtures and appurtenances thereto, and such other goods and chattels and personal property owned by Mortgagor as are now or hereafter used or furnished in operating the buildings and improvements, or the activities conducted therein, and all building materials and equipment hereafter situated on or about the Premises or buildings and improvements now or hereafter located thereon, and all warranties and guaranties relating thereto), and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said building or buildings in any manner; excluding any improvements, materials, movable fixtures and personal property affixed to or within the Premises which are owned by tenants of space under occupancy leases and their respective assignees and/or sublessees, unless such improvements, buildings and materials become Mortgagor's property as a result of a termination of such occupancy lease, in which event the aforesaid shall be subject to the lien hereof. This Mortgage is intended to be a construction mortgage within the meaning of 13 Pa. C.S.A. ss.9334(h).

(d) All awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking by eminent domain, either permanent or temporary, of all or any part of the Premises and any buildings and improvements now or hereafter located thereon or any easement or appurtenance thereof, including severance and consequential damage and change in grade of streets.

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(e) All revenues, rents, issues, profits, royalties, income, reversions and remainders derived from or in connection with the Premises or any buildings and improvements now or hereafter erected thereon.

(f) All payments, proceeds, settlements or other compensation heretofore or hereafter made, including any interest thereon, and the right to receive the same, from any and all insurance policies covering the Premises or any buildings or improvements now or hereafter erected thereon, or any portion thereof.

(g) All of the right, title and interest of Mortgagor in and to all leases or subleases now existing or hereafter arising covering all or any portion of the Premises or any buildings or improvements now or hereafter erected thereon, and all right, title and interest of Mortgagor thereunder, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature, and all rents, royalties, issues, profits, bonus money, revenue, income, rights and other benefits, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, licenses, concession or other grant of the right of the use and occupancy of property or rendering of services by Mortgagor or any operator or manager of any commercial space located in the buildings and improvements or acquired from others, and proceeds, if any, from business interruption or other loss of income insurance of the Premises or the buildings and improvements now or thereafter located thereon, now or hereafter arising from the use or enjoyment of all or any portion thereof or from any present or future lease or other agreement pertaining thereto or arising from any of the leases.

(h) All trade names, including, without limitation, "Camp Hill Shopping Mall".

(i) All of the right, title and interest of Mortgagor in and to any Hedging Contracts.

All of the above-mentioned Premises, buildings, improvements, fixtures, machinery, equipment, tenements, hereditaments and appurtenances, and other property interests are collectively referred to herein as the "Mortgaged Property".

TO HAVE AND TO HOLD the Mortgaged Property hereby granted or mentioned or intended, as hereinabove provided, so to be unto Mortgagee, its successors

and assigns, to its or their own use forever.

PROVIDED ALWAYS that if Mortgagor shall promptly pay and perform all of the Obligations Secured, then the estate hereby granted shall cease, terminate and become void, but otherwise shall remain in full force and effect.

THIS IS AN OPEN-END MORTGAGE AND SECURITY AGREEMENT and secures, inter alia, present and any future advances made by Mortgagee pursuant to the Loan Documents. The priority of any such future advances shall relate back to the date of this Mortgage, or to such later date as required by applicable law. This Mortgage also secures advances made by Mortgagee with respect to the Mortgaged Property for the payment of taxes, assessments, maintenance charges, and insurance premiums, costs incurred by Mortgagee for the protection of the Mortgaged Property or the lien of this Mortgage, and expenses incurred by Mortgagee by reason of the occurrence of an Event of Default and the priority of

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such advances, costs and expenses shall also relate back to the date of this Mortgage, or to such later date as required by applicable law.

ARTICLE I
DEFINITIONS

Capitalized terms used herein without definition shall have the same meanings ascribed to those terms in the Loan Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Mortgagor represents and warrants to Mortgagee that:

2.1. Warranty of Title. Mortgagor owns and possesses good and marketable fee simple title to the Mortgaged Property, subject to no lien, charge or encumbrance other than those reflected as title exceptions not removed from the marked-up Commitment for Title Insurance, File No. _____, issued by Fidelity National Title Insurance Company to Mortgagee insuring the lien of this Mortgage; (b) Mortgagor owns and possesses outright ownership in the balance of the Mortgaged Property, subject to no lien, charge or encumbrance except for the lien on and security interest therein granted by Mortgagor to Mortgagee pursuant to this Mortgage; (c) this Mortgage is a valid and enforceable first lien on the Mortgaged Property subject only to the aforesaid title objections; (d) Mortgagee shall, subject to Mortgagor's right of possession prior to default and the aforesaid title objections, including the rights of tenants, quietly enjoy and possess the Mortgaged Property, and Mortgagor shall preserve such title and the validity and priority of the lien hereof and shall forever warrant and defend the same to Mortgagee against all claims and demands of all persons and parties whomsoever.

2.2. Organization. Mortgagor is a duly organized and validly existing Delaware limited liability company and is subsisting in the Commonwealth of Pennsylvania.

2.3. Power and Authority. Mortgagor has the requisite power and authority to execute all documents evidencing and securing the Obligations Secured and to perform its obligations hereunder. All such action has been duly and validly authorized by all necessary partnership action on its part.

2.4. Legality of Transaction. The transactions contemplated in the documents evidencing and securing the Obligations Secured are and will be in all respects legal; provided, however, that no representation is given as to banking laws applicable to Mortgagee.

2.5. Absence of Conflicts. The execution and delivery of, and the carrying out of the transactions contemplated herein, and the performance and observance of the terms, covenants, agreements and provisions of the Obligations Secured by Mortgagor will not result in a breach of the terms or provisions of any existing law or existing rule, regulation or order of any court or governmental body or of any agreements of any nature applicable to Mortgagor or by which Mortgagor is bound.

2.6. Enforceability. The Mortgage and the Obligations Secured constitute the valid and legally binding obligations of Mortgagor and are fully enforceable against Mortgagor in accordance with their respective terms except as the enforceability thereof maybe limited by bankruptcy, insolvency or other

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similar Laws of general application affecting the enforcement of creditor's rights.

2.7. Accuracy of Information. All information, reports, papers and data given to Mortgagee by Mortgagor with respect to any of the Mortgaged Property or Mortgagor are accurate in all material respects, and there has been no material adverse change in any condition or fact stated therein.

2.8. Damage by Casualty; Condemnation. None of the Mortgaged Property has been damaged by fire or other casualty which is not now fully restored. Except as set forth on Schedule 2.8 hereto, no notice of taking by eminent domain or condemnation of any of the Mortgaged Property has been received, and Mortgagor has no knowledge that any such proceeding is contemplated.

2.9. Foreign Person. Mortgagor is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department adopted in connection therewith, including temporary regulations.

2.10. Hazardous Materials.

(a) To the best of Mortgagor's knowledge, after due inquiry and investigation, and except as specifically disclosed in the Environmental Report, (i) the Premises is not now and has never been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, process or in any manner deal with Hazardous Materials other than Permitted Substances, (ii) no Hazardous Materials other than Permitted Substances have ever been installed, placed, or in any manner dealt with on the Premises, (iii) no owner of the Premises or any tenant, subtenant, occupant, prior tenant, prior subtenant, prior occupant or person (collectively, "Occupant") has received any material notice or advice from any governmental agency or any Occupant with regard to Hazardous Materials on, from or affecting the Premises, and (iv) all Permitted Substances used or located on the Premises have at all times been handled, used, stored, treated, shipped and disposed of in compliance with all applicable laws.

(b) The term "Hazardous Materials" as used in this Mortgage shall include, without limitation, gasoline, petroleum products, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, polychlorinated biphenyls or related or similar materials, asbestos or any material containing asbestos, or any other substance or material as may be defined as a hazardous or toxic substance by any Federal, state or local environmental law, ordinance, rule, or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C., Sections 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C., Sections 1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C., Sections 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C., Sections 1251 et seq.), the Clean Air Act (42 U.S.C., Sections 7401 et seq.), the Clean Streams Law (Pa. Stat. Ann. tit. 35. Sections 691.1 et seq.), the Solid Waste Management Act (Pa. Stat. Ann. tit. 35, Section 6018.101 et seq.), the Hazardous Sites Clean-up Act, Pa. Stat. Ann. tit. 35, Section 6020.101 et seq., and in the regulations adopted and publications promulgated pursuant thereto.

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(c) The term "Permitted Substances" as used in this Mortgage means Hazardous Materials of the types and in the quantities customarily used in the maintenance and operation of commercial buildings similar to the Mortgaged Property, so long as such Hazardous Materials are stored, used and disposed of in accordance with all applicable laws.

(d) The term "Environmental Report" as used in this Mortgage means the Phase I Environmental Report dated September 11, 2002 prepared by Eckland Consultants, Inc.

2.11. Leases. The Mortgaged Property is subject to the leases listed and described on Exhibit B attached to the Loan Agreement ("Existing Leases") and the Mortgaged Property is not subject to any other leases, occupancy rights or similar arrangements. Except as may be set forth in said Exhibit B, to the best of Mortgagor's knowledge after diligent inquiry, none of the Existing Leases has been amended, modified or supplemented in any respect or terminated or canceled. The Existing Leases represent the entire agreements between Mortgagor and the respective applicable tenants ("Existing Tenants") with respect to the lease of the portions of the Mortgaged Property covered thereby. Each of the Existing Leases is in full force and effect. To the best of Mortgagor's knowledge after diligent inquiry, Mortgagor knows of no material defaults under Existing Leases in the aggregate which, in the judgment of Mortgagee, would have a material adverse effect on the financial condition of Mortgagor or the Mortgaged Property. To the best of Mortgagor's knowledge, there

are no existing defenses or offsets against the obligation to pay the rents or other charges due under any of the Existing Leases or against the enforcement of any of the Existing Leases by Mortgagor. To the best of Mortgager's knowledge after diligent inquiry, except as may be set forth in said Exhibit B, there are no agreements covering free rent, partial rent, rebate of rental payments or any other type of rental concessions with respect to any of the Existing Leases. None of the Existing Leases contains any options or rights of first refusal to purchase any portion or all of the Mortgaged Property. To the best of Mortgager's knowledge after diligent inquiry, there have not been any prepayments of any rent under any of the Existing Leases. Except as may be set forth in said Exhibit B, there is no provision for the payment of any security deposit under any of the Existing Leases. Mortgagor has not mortgaged, assigned, pledged, granted a security interest in or otherwise encumbered its interest in any of the Existing Leases in favor of any person or entity other than Mortgagee.

2.12. Management Agreements. Mortgagor has delivered to Mortgagee a true, correct and complete copy of the Existing Management Agreement. There are no other management agreements to which Mortgagor is a party relating to the Project. The Existing Management Agreement has not been amended, modified or supplemented in any respect or terminated or canceled. The Existing Management Agreement represents the entire agreement between Mortgagor and Existing Manager (as defined in the Loan Agreement) with respect to the management of the Project. The Existing Management Agreement is in full force and effect, there are no defaults thereunder, and Mortgagor knows of no events or conditions which, with passage of time or notice or both, would constitute a default thereunder.

ARTICLE III AFFIRMATIVE COVENANTS

3.1. Payment of Note. Mortgagor shall pay to Mortgagee or any subsequent holder of the Note the principal and interest accrued on the entire principal indebtedness of the Note, including all sums now or hereafter due

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Mortgagee under the terms hereof and of the Loan Agreement, together with all interest thereon, punctually as and when the same shall become due by the terms thereof and hereof. Mortgagor will observe and perform all of the terms, provisions, conditions, covenants and agreements on the part of Mortgagor to be observed and performed under the Note, the Loan Agreement, this Mortgage, and the other Obligations Secured.

3.2. Payment of Taxes and Other Charges.

(a) Mortgagor shall prior to the date on which any interest or penalties shall commence to accrue thereon, cause to be paid and discharged, and shall furnish to Mortgagee within ten (10) days after request therefor, proper receipts for, all taxes, assessments, water and sewer rents and charges and all other license or permit fees, levies, and governmental charges, general or special, ordinary or extraordinary, foreseen or unforeseen, of any kind and nature whatsoever, which are or may have been, or may hereafter be, charged, assessed, levied, confirmed or imposed upon or against the Mortgaged Property, or any part thereof, by any lawful authority, or which may become a lien thereon, unless the same shall have been fully paid to Mortgagee, Mortgagor will cause to be paid when due, all charges for utilities used at or servicing the Mortgaged Property, whether public or private.

(b) Notwithstanding the foregoing, Mortgagor may in good faith contest, by proper legal proceedings, the validity or amount of any such tax or charge, provided (i) an Event of Default has not occurred which has not been cured; (ii) Mortgagor provides to Mortgagee security satisfactory to Mortgagee assuring the payment of such contested tax or charge and any additional charge, penalty or expense which may arise from or be incurred as a result of such contest; (iii) such contest operates to suspend collection and is maintained and prosecuted with diligence; and (iv) Mortgagor shall pay such contested tax or charge and all costs and penalties, if any, and shall deliver to Mortgagee evidence acceptable to Mortgagee of such payment promptly, if such contest is terminated or discontinued adversely to Mortgagor, and in any event at least thirty (30) days before the date any of the Mortgaged Property may be sold or otherwise transferred because of non-payment of the tax or charge.

(c) Subject to said right of Mortgagor to contest such tax or charge and the expiration of any notice and grace period as provided in Section 5.1 without a cure, nothing herein shall affect any right or remedy of Mortgagee under this Mortgage or otherwise to pay any tax or charge in accordance with the terms of Section 5.3.

3.3. Additions, Alterations, Removals and Repairs.

(a) Mortgagor shall have the right at any time and from time

to time during the term of this Mortgage to make, at its sole cost and expense, additions and alterations to the buildings and improvements included within the Mortgaged Property, provided that such additions or alterations when completed shall not reduce the value or adversely affect the utility of the Mortgaged Property and further provided that in connection with any demolition of any Improvement (without regard to cost) or any addition or alteration involving a cost of more than \$100,000 Mortgagor obtains Mortgagee's prior written consent thereto, which consent shall not be unreasonably withheld so long as there is no Event of Default then in existence. Notwithstanding the foregoing, Mortgagor may remove any fixture, and it shall thereafter be free of any security interest or lien created hereby, on condition that simultaneously with, or prior to such

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removal, such fixture shall be replaced with other property to perform the function of the property removed and of a value at least equal to that of the replaced property and free from any title retention or security agreement or other encumbrance. By such removal and replacement, Mortgagor shall be deemed to have subjected such replacement equipment to the lien of this Mortgage.

(b) Throughout the term of this Mortgage, Mortgagor, at its sole cost and expense, will take good care of the Mortgaged Property and the sidewalks, curbs and vaults, if any, adjoining the Premises and will keep the same in good order and condition, and make all necessary repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, and unforeseen and foreseen. All repairs made by Mortgagor shall be substantially similar in quality and class to the original work. The necessity for and adequacy of repairs to the buildings and improvements pursuant to this Section 3.3 shall be measured by the standard which is appropriate for structures of similar construction and class, provided that Mortgagor shall in any event make all repairs necessary to avoid any structural damage or injury to the buildings and improvements and to keep the buildings and improvements in a proper condition for their intended uses. Nothing in this Section 3.3(b) shall prevent Borrower from passing costs through to tenants.

(c) Throughout the term of this Mortgage, Mortgagor, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions, boards and officers, and national or local Boards of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Mortgaged Property, the maintenance and use thereof and the sidewalks, curbs and vaults adjoining the Mortgaged Property, whether or not such law, ordinance, order, rule, regulation or requirement shall necessitate structural changes or improvements, or the removal of any encroachments or projections, ornamental, structural or otherwise, onto or over property contiguous or adjacent thereto. Mortgagor will comply with all orders and notices of violation thereof issued by any governmental authority. Mortgagor will pay all license fees and similar municipal charges for the use of the Mortgaged Property and the other areas now or hereafter comprising part thereof or used in connection therewith and will not, unless so required by any governmental agency having jurisdiction, discontinue use of the Mortgaged Property without the prior written consent of Mortgagee. Mortgagor shall have the right to contest all such governmental requirements, subject to the same standards as are set forth in Section 3.2 above with respect to contests of governmental charges and assessments. Nothing in the Section 3.3(c) shall prevent Borrower from passing costs through to tenants.

3.4. Impound Payments. Mortgagor will, upon receipt of written request from Mortgagee in its sole and unreviewable discretion, pay to Mortgagee contemporaneously with each monthly payment of interest, principal or principal and interest, a sum equal to one-twelfth (1/12th) of the hazard insurance premiums, real estate taxes, water rents or charges, sewer rents, payments in lieu thereof, special assessments and any other tax, assessment, lien, claim or encumbrance which may at any time be or become a lien on the Mortgaged Property prior to, or on a parity with, the lien of this Mortgage so as to enable Mortgagee to pay the same at least thirty (30) days before they become due, and Mortgagee shall, upon receipt of bills for such charges, pay the same from the sums deposited hereunder. If special assessments against the Mortgaged Property

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may be paid in installments and Mortgagor elects to do so, the monthly payments to Mortgagee for such special assessments shall be one-twelfth (1/12th) of the current annual installments. No amounts so paid shall be deemed to be trust funds but may be commingled with general funds of Mortgagee, and no interest shall be payable thereon. If, pursuant to any provision of this Mortgage, the whole amount of said principal debt remaining or any installment of interest, principal or principal and interest become due and payable, Mortgagee shall

apply any amounts so held in payment of the premiums or payments for which the amounts were deposited. If the taxes, assessments, levies, charges or fees required to be paid pursuant to Section 3.2 hereof shall exceed the estimate therefor, Mortgagor shall without demand forthwith make good the deficiency. If the taxes, assessments, levies, charges, or fees shall be less than the estimate therefor, Mortgagee shall refund the overpayment to Mortgagor. Mortgagor will furnish to Mortgagee tax bills in sufficient time after Mortgagor's receipt thereof to enable Mortgagee to pay such taxes, assessments, levies, charges and fees before interest and penalties accrue thereon.

3.5. Hazardous Materials. Mortgagor covenants that, except for the customary use of Permitted Substances reasonably required for the maintenance and operation of the Mortgaged Property in compliance with applicable Law, the Mortgaged Property shall be kept free of Hazardous Materials, and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, process or in any manner deal with Hazardous Materials, and Mortgagor shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any Occupant, the installation or placement of Hazardous Materials in or on the Mortgaged Property or a release of Hazardous Materials onto the Mortgaged Property or onto any other property (which installation, placement or release onto such other property by any such Occupant shall result from such Occupant's activities on the Mortgaged Property) or suffer the presence of Hazardous Materials on the Mortgaged Property. Mortgagor shall comply with, and shall use commercially reasonable efforts to ensure compliance by all Occupants with, all applicable federal, state and local laws, ordinances, rules and regulations with respect to Hazardous Materials, and shall keep the Mortgaged Property free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. In the event that Mortgagor receives any material notice or advice from any governmental agency or any Occupant with regard to Hazardous Materials on, from or affecting the Mortgaged Property, Mortgagor shall immediately notify Mortgagee. Mortgagor shall conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials which are not Permitted Substances on, from or affecting the Mortgaged Property in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations, and policies. The obligations and liabilities of Mortgagor under this Section shall survive the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure.

3.6. Indemnification. Mortgagor shall protect, indemnify and save Mortgagee harmless from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable attorneys' fees and expenses), imposed upon or incurred by or asserted against Mortgagee and arising from any state of facts or circumstances existing prior to Mortgagee's acquiring Mortgagor's fee simple estate through foreclosure or a deed in lieu of foreclosure and due to any action or inaction of Mortgagor or any Occupant by reason of (a) the ownership of this Mortgage, the Mortgaged Property or any interest therein or receipt of any rents; (b) any requested amendments, consents or waivers with respect to

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this Mortgage or any other Loan Document; (c) any accident, injury to or death to persons or loss of or damage to property occurring in, on or about the Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (d) any use, nonuse or condition in, on or about the Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (e) any failure on the part of Mortgagor to perform or comply with any of the terms of this Mortgage; (f) the performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof; (g) the failure of any person to file timely with the Internal Revenue Service an accurate Form 1099-B, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions, which may be required in connection with the Mortgage, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which the mortgage loan secured hereby is made; (h) the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release, or threatened release of any Hazardous Materials (other than Permitted Substances) on, from, or affecting the Mortgaged Property or any other property (which presence, disposal escape, seepage, leakage, spillage, discharge, emission, release or threatened release by any such Occupant on, from or affecting any such other property shall result from such Occupant's activities on the Mortgaged Property); (i) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (j) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials; or (k) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any requirements of Mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses, provided that none of the foregoing result

solely from the gross negligence or willful misconduct of Mortgagee. Any amounts payable to Mortgagee by reason of the application of this Section shall be included in the Obligations Secured and secured by this Mortgage, and shall become due and payable upon demand thereof to Mortgagor and shall bear interest at the Default Rate from the date loss or damage is sustained by Mortgagee until paid. The obligations of Mortgagor under this Section shall survive any termination, satisfaction, assignment, judgment of foreclosure or delivery of a deed in lieu of foreclosure of this Mortgage until the expiration of all applicable statutes of limitation and repose.

3.7. Leases; Management Agreement.

(a) Mortgagor covenants and agrees that (i) it shall not enter into any lease agreement affecting any portion of the Mortgaged Property other than an Approved Lease, and Mortgagor shall not amend or modify or terminate any Approved Lease without the prior written approval of Mortgagee except to the extent otherwise specifically permitted pursuant to the terms of the Loan Agreement, and (ii) all leases entered into after the date hereof affecting the Mortgaged Property will be subordinate or prior to the lien of this Mortgage, at the option of Mortgagee. Mortgagor hereby covenants and agrees to observe at all times while all or any portion of the Obligations Secured remains outstanding all of the requirements set forth in the Loan Agreement with respect to the leasing of all or any portion of the Mortgaged Property.

(b) Mortgagor shall promptly (i) perform all of the provisions of the leases on the part of the landlord thereunder to be performed; (ii) enforce all of the material provisions of the leases on the part of the tenants thereunder to be performed; (iii) appear in and defend any action or proceeding

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arising under, growing out of or in any manner connected with the leases or the obligations of Mortgagor as landlord or of the tenants thereunder; and (iv) deliver to Mortgagee, within ten (10) days after a request by Mortgagee, a written statement containing the names of all tenants, the terms of all leases and the spaces occupied and rentals payable thereunder, and a statement of all leases which are then in default, including the nature and magnitude of the default.

(c) Upon the occurrence of an Event of Default hereunder and the enforcement by Mortgagee of any remedy under this Mortgage, the tenant under each lease which is subordinate to this Mortgage shall at Mortgagee's request attorn to Mortgagee or any other person succeeding to the interest of Mortgagee as a result of such enforcement and shall recognize Mortgagee or such successor in interest as landlord under the lease without change in the provisions thereof; provided, however, that Mortgagee or such successor in interest shall not be bound by (i) any payment of an installment of rent or additional rent which may have been made more than thirty (30) days before the due date of such installment, or (ii) any amendment or modification to the lease made without the consent of Mortgagee or such successor in interest, if required; (iii) any act or omission of any prior landlord (including Mortgagor) under the lease, or (iv) any offsets, claims or defenses which the tenant might have against any prior landlord (including Mortgagor).

(d) Except as may be otherwise provided in the Loan Agreement, Mortgagor shall not enter into any management agreement affecting any portion of the Mortgaged Property without in each case obtaining the prior written approval by Mortgagee of the identity of the proposed manager and the terms and conditions of the proposed management agreement, and Mortgagor shall not amend or modify in any material respect or terminate other than by its terms any such management agreement; if at any time Mortgagee notifies Mortgagor in writing that any such manager is unsatisfactory to Mortgagee, Mortgagor shall promptly change such manager in a manner satisfactory to Mortgagee, and Mortgagor's failure to make such change promptly shall constitute an Event of Default hereunder. Each manager shall agree, or each management agreement shall provide by its terms, that such management agreement shall be terminable without penalty or premium by Mortgagee under the preceding sentence or following the occurrence of an Event of Default and that all payments under such management agreement are under and subject and subordinate in lien and priority of payment to the payment of all principal and interest and other amounts under the Loan.

3.8. Financial Reports: Required Notices. Mortgagor shall deliver to Mortgagee as and when due the financial reports and notices required to be delivered by Mortgagor pursuant to the Loan Agreement.

3.9. Discharge of Encumbrances. Mortgagor shall promptly discharge or cause to be discharged, at Mortgagor's cost and expense, all liens, encumbrances and charges upon the Mortgaged Property, or any part thereof or interest therein; provided, however, that Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge if Mortgagor shall first deposit with Mortgagee or with the appropriate court a bond or other security satisfactory to Mortgagee in such amount as Mortgagee shall reasonably

require, but not more than one hundred fifty percent (150%) of the amount of the claim, and provided further that (a) Mortgagor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged, (b) such proceeding shall operate to suspend collection, and (c) such amounts

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shall be duly paid when determined but in all events prior to any execution sale of the Mortgaged Property or any portion thereof. If Mortgagor shall fail to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond or the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law, and, in such event, all sums so paid by Mortgagee shall be included in the Obligations Secured and secured by this Mortgage in accordance with the terms of Section 5.3 below.

3.10. Security Agreement. This Mortgage constitutes a security agreement under the Uniform Commercial Code as in effect in the State in which the Mortgaged Property is located and creates a security interest in all that property (and the proceeds thereof) included in the Mortgaged Property which might otherwise be deemed "personal property". Mortgagor shall execute, deliver, file and refile any financing statements, continuation statements, or other security agreements Mortgagee may require from time to time to confirm the lien of this Mortgage with respect to such property. Without limiting the foregoing, Mortgagor hereby irrevocably appoints Mortgagee attorney-in-fact for Mortgagor to execute, deliver and file such instruments for and on behalf of Mortgagor. Notwithstanding any release of any or all of that property included in the Mortgaged Property which is deemed "real property", any proceedings to foreclose this Mortgage or its satisfaction of record, the terms hereof shall survive as a security agreement with respect to the security interest created hereby and referred to above until the repayment or satisfaction in full of the obligations of Mortgagor as are now or hereafter evidenced by the Obligations Secured.

3.11. Limited Liability Company Existence and Filings.

(a) Mortgagor shall keep in effect its existence and rights as a limited liability company under the laws of the State of its formation and its right to own property and transact business in the State in which the Mortgaged Property is situated during the entire time that it has any ownership interest in the Mortgaged Property, and Mortgagor shall file all returns and make all required filings with the proper authorities, bureaus or departments.

(b) For all periods during which Mortgagor's interest in the Mortgaged Property or any part thereof is held by a corporation or association subject to corporate taxes or taxes similar to corporate taxes, Mortgagor shall file returns for such taxes with the proper authorities, bureaus or departments, and Mortgagor shall pay when due and payable and before interest or penalties are due thereon all taxes owing by Mortgagor to the United States, to Mortgagor's State of incorporation, to the State where the Mortgaged Property are situate and to all political subdivisions of any thereof, and shall deliver to Mortgagee receipts showing the payment of all such taxes, charges or assessments prior to the last dates on which the same are payable without penalties or interest, and within ten (10) days following request therefor, copies of all settlements, notices of deficiencies or overassessment and any other notices pertaining to Mortgagor's tax liability which may be issued by any of the governmental authorities referred to in this Section 3.11.

3.12. Taxation of Mortgages. In the event of the passage after the date of this Mortgage of any law in effect in the State in which the Mortgaged Property are located or any other governmental entity changing in any way the laws now in force for the taxation of mortgages, or debts secured thereby, for

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state or local purposes, or the manner of the operation of any such taxes, so as to affect the interest of Mortgagee hereunder, then and in such event, Mortgagor shall bear and pay the full amount of such taxes applicable to this Mortgage, provided that if for any reason payment by Mortgagor of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the Obligations Secured wholly or partially usurious under any of the terms or provisions of the Loan Agreement, the Note or this Mortgage or otherwise, Mortgagee may, at Mortgagee's option, declare the Note, with interest thereon, to be immediately due and payable on demand, or Mortgagee may pay that amount or portion of such taxes as renders the Obligations Secured unlawful or usurious, in which event Mortgagor shall concurrently therewith pay the remaining lawful and non-usurious portion or balance of said taxes.

3.13. Inspection. Mortgagee and any persons authorized by Mortgagee shall have the right at any time, upon reasonable notice to Mortgagor,

to enter the Mortgaged Property to inspect and photograph its condition and state of repair. In addition, (a) following an Event of Default or (b) prior to an Event of Default if Mortgagee reasonably deems such actions necessary after notice to Mortgagor and Mortgagor's failure to comply with the terms of such notice, Mortgagee may at its option enter the Mortgaged Property to protect, restore or repair any part thereof, but Mortgagee shall be under no obligation to do so. Mortgagor will repay to Mortgagee on demand any sums paid by Mortgagee to protect, restore or repair any part of the Mortgaged Property in accordance with the terms of Section 5.3 below.

3.14. Declaration of No Set-Off; Certificate. Mortgagor will, within fifteen (15) days following receipt of written request from Mortgagee, furnish a duly acknowledged written statement to Mortgagee certifying the outstanding principal balance of the Loan; the dates to which principal and/or interest have been paid under the Note; to the best of Mortgagor's knowledge, information and belief, whether an Event of Default has occurred which is continuing hereunder or whether any event which, with the passage of time or giving of notice or both, could become an Event of Default hereunder has occurred and is continuing hereunder; and such other matters as Mortgagee may reasonably request.

3.15. Insurance.

(a) Mortgagor will keep (or cause to be kept) the buildings, structures, improvements and fixtures insured at all times throughout the term of this Mortgage (including any period or periods of time during which any buildings, structures and improvements are in the course of remodeling, renovation or construction) and to furnish the following to Mortgagee:

(i) Insurance against loss or damage by fire, lightning, windstorm, hail, explosion, vandalism, acts of terrorism, malicious mischief and damage from aircraft and vehicles, and smoke damage from such other hazards as are presently included in standard "all risk" property insurance in the same geographic area in which the Mortgaged Property are located and an endorsement providing that such insurance shall not be voided by reason of the occupancy by any tenant of the Mortgaged Property. The amount of such insurance shall be as required by Mortgagee from time to time, but not less than 100% of the "full replacement cost" of the buildings, structures, improvements and fixtures without deduction for depreciation (but excluding the value of roads, foundations, parking areas and similar improvements). During any period while the buildings and improvements on the Mortgaged Property are being constructed

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or reconstructed, the fire insurance required pursuant to this Section 3.15(a) (i) shall be in the form of a builder's "all risk" policy on a completed value, non-reporting basis, including collapse and transit coverage, with deductibles not to exceed \$10,000, a "soft cost" endorsement in an amount satisfactory to Mortgagee and such other endorsements as Mortgagee may require.

(ii) Business interruption or rent loss insurance in an amount as required by Mortgagee from time to time but not for a period in excess of twelve (12) months and based on gross rents payable under Approved Leases.

(iii) If any portion of the Mortgaged Property is located in a flood hazard area, flood hazard insurance as required by law up to the maximum limits of insurance available under the National Flood Insurance Program authorized by the Flood Disaster Protection Act of 1973, as amended, and at Mortgagee's request, flood insurance coverage, in excess of the maximum amount available under such program, in an amount determined by Mortgagee in its sole discretion.

(iv) Comprehensive general public liability insurance against claims for bodily injury or death and property damage occurring upon, in or about the Mortgaged Property to afford protection to the limit of not less than \$1,000,000 per occurrence for bodily injury (including death) and property damage, with umbrella coverage of not less than \$5,000,000. Such insurance shall be written on an "occurrence" basis rather than a "claims" basis to the extent obtainable at commercially reasonable rates.

(v) Worker's compensation insurance in an amount equal to Mortgagor's full statutory liability and covering all of Mortgagor's and Existing Manager's employees, if any, wherever located. During any period while the buildings and improvements on the Mortgaged Property are being constructed or reconstructed, proof that either Mortgagor or Mortgagor's construction contractor maintains worker's compensation insurance covering all persons employed in such construction or reconstruction, together with Employer's liability insurance in the minimum amount of \$100,000.

(vi) Such other insurance on the Mortgaged Property, or any replacements or substitutions therefor, or additions thereto, and in such amounts as may from time to time be reasonably required by Mortgagee against

other insurable hazards or casualties which at the time are commonly insured against in the case of premises similarly situated.

(b) All insurance shall be subject to the approval of Mortgagee as to insurance companies, amounts, contents and form of policies and expiration dates, and shall contain a Non-Contributory Mortgagee clause in favor of and satisfactory to Mortgagee excluding Mortgagee from the operation of any coinsurance clause contained in any such policy and, as to the policies required under subsections (i), (ii) and (iii) hereof, naming Mortgagee as loss payee. The policy required under subsection (iv) hereof shall name Mortgagee as additional insured party. All such policies shall be issued by companies licensed in the Commonwealth of Pennsylvania and having a Best's financial rating of A or better and a size class rating of X or larger. Such policies shall provide for the payment of all costs and expenses incurred by Mortgagee in the event of any contested claim and shall not be canceled or otherwise terminated without at least thirty (30) days' prior written notice to Mortgagee. Such coverages may be effected under one or more blanket policies of insurance

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covering the Mortgaged Property and other properties provided that the coverages applicable to the Mortgaged Property are separately noted and such blanket policies are otherwise acceptable to Mortgagee.

(c) Mortgagor will deliver the original (or certified copies) of all such policies or certificates evidencing such insurance, together with copies of such policies certified by the entity issuing such certificates not less than fifteen (15) days prior to the expiration date of each such policy, will deliver to Mortgagee a renewal policy or policies or certificates evidencing insurance if the policies are master policies marked "premium paid" or accompanied by other evidence of payment satisfactory to Mortgagee. Mortgagor will not permit any condition to exist on the Mortgaged Property which would wholly or partially invalidate the insurance thereon.

(d) In the event of the occurrence of any loss or damage to the Mortgaged Property, Mortgagor will give immediate written notice thereof to Mortgagee, and Mortgagee may make proof of loss thereof if not made promptly by Mortgagor. If Mortgagee so elects, Mortgagee may on behalf of Mortgagor adjust and compromise any claims under such insurance and collect and receive the proceeds thereof and endorse drafts, and Mortgagee is hereby irrevocably appointed attorney-in-fact of Mortgagor for such purposes. In any event, no adjustment or compromise of any claims under such insurance shall be made without Mortgagee's prior written approval which shall not be unreasonably withheld or delayed. Each insurance company concerned is hereby authorized and directed to make payment under such policies of casualty, rent and/or business interruption insurance, including return of unearned premiums, directly to Mortgagee instead of to Mortgagor and Mortgagee jointly, and Mortgagor appoints Mortgagee, irrevocably, as Mortgagor's attorney-in-fact to endorse any draft thereof.

(e) Subject to the terms of Section 3.17, Mortgagee shall have the right, at its election, to retain and apply the proceeds of any casualty insurance to reduction of the Obligations Secured, and/or to retain and apply the proceeds of any rent insurance and/or business interruption insurance on account of the payments of the regular monthly installments of principal and interest as they fall due, month by month, or to restoration or repair of the property damaged. If Mortgagee receives proceeds of rent insurance and/or business interruption insurance beyond those required to be applied for the current month, Mortgagee may retain such additional proceeds in escrow, for the account of Mortgagor, and so apply such proceeds on a monthly basis, provided that any such proceeds not needed to be applied to keep Mortgagor current and not in default hereunder during the reasonably estimated period of time when the income from the Mortgaged Property will be inadequate to provide Mortgagor with sufficient funds with which to pay Mortgagee the amounts falling due each month shall be paid over to Mortgagor to meet the other expenses of the Mortgaged Property.

(f) If requested by Mortgagee, Mortgagor shall have the then replacement and insurable values of the buildings and improvements determined by the underwriter of fire insurance on the Mortgaged Property or, if such underwriter will not act, by a qualified appraiser satisfactory to Mortgagee, and shall deliver such determination to Mortgagee.

(g) Mortgagor shall promptly comply with and conform to (i) all provisions of each insurance policy and (ii) all requirements of the insurers thereunder, applicable to Mortgagor or any of the Mortgaged Property, or to the use, manner of use, occupancy, possession, operation, maintenance,

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alteration or repair of any of the Mortgaged Property, even if such compliance

necessitates structural changes or improvements or results in interference with the use or enjoyment of any of the Mortgaged Property.

(h) If Mortgagee shall acquire title to the Mortgaged Property by mortgage foreclosure, a deed in lieu of foreclosure, sale by power of sale pursuant to advertisement or a judicial sale thereof pursuant to proceedings under the Loan Agreement, the Note or this Mortgage, or otherwise, then all of Mortgagor's estate, right, title and interest in and to all such policies, including unearned premiums thereon and the proceeds thereof, shall vest in Mortgagee.

(i) If Mortgagor shall fail to procure, pay for and deliver to Mortgagee any policy or policies of insurance and/or renewals thereof as in this Section 3.15 required, Mortgagee, at its option, but without obligation to do so, may obtain such insurance and pay the premiums therefor, and Mortgagor will repay to Mortgagee on demand any premiums so paid in accordance with the terms of Section 5.3 below.

(j) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section 3.15, unless Mortgagee is included thereon as a named insured with loss payable to Mortgagee under a standard mortgage endorsement. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out, specifying the insurer thereunder and full particulars as to the policies evidencing the same.

3.16. Condemnation.

(a) In the event of any condemnation or taking of any part of the Mortgaged Property by eminent domain, alteration of the grade of any street, or other injury to or decrease in the value of the Mortgaged Property by any public or quasi-public authority or corporation, Mortgagor will give immediate written notice thereof to Mortgagee. Subject to the terms of Section 3.17, all proceeds (that is, the award or agreed compensation for the damages sustained) shall be applicable first to payment of the Obligations Secured. If Mortgagee so elects, Mortgagee may on behalf of Mortgagor participate in and control the settlement for the damages sustained. In any event, no settlement for the damages sustained shall be made by Mortgagor without Mortgagee's prior written approval, which shall not be unreasonably withheld or delayed. Receipt by Mortgagee of any proceeds less than the full amount of the then outstanding debt shall not alter or modify Mortgagor's obligation to continue to pay the installments of principal, interest and other charges specified in the Loan Agreement and Note. All the proceeds shall be applied in the order and in the amounts that Mortgagee, in its sole discretion, may elect, to the payment of principal (whether or not then due and payable), interest or any sums included in the Obligations Secured and secured by this Mortgage, or toward payment to Mortgagor, on such terms as Mortgagee may specify, to be used for the sole purpose of altering, restoring or rebuilding any part of the Mortgaged Property which may have been altered, damaged or destroyed as a result of the taking, alteration of grade or other injury to the Mortgaged Property.

(b) If the amount of the initial award of damages for the condemnation of the entire Mortgaged Property is insufficient to pay in full the Obligations Secured with interest and other appropriate charges, Mortgagee shall

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have the right to prosecute to final determination or settlement an appeal or other appropriate proceedings in the name of Mortgagee or Mortgagor, for which Mortgagee is hereby appointed as attorney-in-fact for Mortgagor, which appointment, being for security, is irrevocable. In that event, the expenses of the proceedings, including counsel fees, shall be paid first out of the proceeds, and only the excess, if any, paid to Mortgagee shall be credited against the amounts due under this Mortgage.

(c) Nothing herein shall limit the rights otherwise available to Mortgagee, at law or in equity, including the right to intervene as a party in any condemnation proceeding.

(d) No application of condemnation proceeds to the payment of the Obligations Secured shall postpone any of the current installments of principal or interest becoming due under the Note until the Obligations Secured and all interest due thereunder are paid in full.

3.17. Restoration of the Mortgaged Property. In the event of fire or other casualty to the Mortgaged Property or in the event of condemnation, notwithstanding anything in this Mortgage to the contrary, Mortgagee will consent to the use of the net proceeds of any insurance or condemnation award for restoration of the Mortgaged Property if (i) at all times relevant hereto no Event of Default is continuing under this Mortgage or any other Loan Document, (ii) Mortgagee is satisfied that there are sufficient funds represented by such proceeds and, if necessary, deposits by Mortgagor to Mortgagee to complete

restoration of the Improvements constructed on the Mortgaged Property to substantially the same value and character as existed prior to such damage, (iii) Mortgagee is satisfied that restoration can be completed at least thirty (30) days prior to the Original Maturity Date or Extended Maturity Date, whichever is applicable, (iv) the insurers do not deny liability as to the insureds, and (v) if the proceeds exceed \$100,000 Mortgagor complies with the following terms and conditions:

(a) Prior to commencement of restoration, the contracts, contractors, and plans and specifications for the restoration shall have been approved by Mortgagee, and Mortgagee shall be provided with mechanics' lien insurance (if available) and a surety bond insuring satisfactory completion of the restoration, such insurance and bond to be in form reasonably acceptable to Mortgagee.

(b) The net proceeds shall be deposited in a restricted statement savings account established by and in the name of Mortgagee (the "Restoration Account"). Prior to commencement of restoration, if the estimated cost of restoration, as determined by Mortgagee, exceeds the amount of insurance proceeds or condemnation proceeds awarded for the cost of such restoration, the amount of such excess shall be paid by Mortgagor to Mortgagee for deposit in a separate cash collateral account with Mortgagee and shall be expended before any funds in the Restoration Account. If Mortgagor so deposits additional funds with Mortgagee and any sum remains in the Restoration Account upon completion of restoration, such remaining sum (but not in excess of the amount deposited by Mortgagor) shall be refunded to Mortgagor if no Event of Default is then continuing. Otherwise all insurance or condemnation proceeds, if any, remaining after completion of repairs or restoration shall be applied against the outstanding principal balance of the Loan.

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(c) At the time of any disbursement, no Event of Default shall have occurred and be continuing, no mechanics' or materialmen's liens shall have been filed and remain undischarged (or not bonded against on terms and conditions acceptable to Mortgagee), and a satisfactory bringdown of title insurance shall be delivered to Mortgagee.

(d) Disbursements shall be made from time to time in an amount not exceeding the cost of the work completed since the last disbursement, upon receipt of satisfactory evidence from an architect or engineer retained by Mortgagee at Mortgagor's expense to supervise restoration of the stage of completion and of performance of the work in a good and workmanlike manner in accordance with the contracts, plans and specifications.

(e) Mortgagee may retain ten (10%) percent of each advance of the restoration fund, with such retainage not subject to disbursement until the restoration is fully completed; provided, however, that disbursements for interest (if any) and soft costs shall not be subject to retainage.

ARTICLE IV NEGATIVE COVENANTS

4.1. Liens and Encumbrances. Subject to Mortgagor's contest rights set forth in Section 3.9, Mortgagor shall not suffer, and shall promptly cause to be paid and discharged, any lien or charge whatsoever which by any present or future law may be or become superior to, or on a parity with, this Mortgage either in lien or in distribution out of the proceeds of any judicial sale of the Mortgaged Property, or any part thereof.

4.2. Secondary Financing. Except as may be otherwise specifically provided in the Loan Agreement, Mortgagor shall not (a) create or cause or permit to exist any lien on or security interest in the Mortgaged Property (including any furniture, fixtures, appliances, equipment, or other items of personal property owned by Mortgagor which are intended to be or become part of the Mortgaged Property) other than as security for the Obligations Secured, (b) incur any secured indebtedness for money borrowed other than indebtedness of Mortgagor to Mortgagee, or (c) lease (as lessee) any furniture, fixtures, appliances, equipment or other items of personal property which are intended to be or become part of the Mortgaged Property.

4.3. Transfer of Title. Mortgagor shall not, so long as the Loan (or any portion thereof) remains outstanding, without in each case obtaining Mortgagee's prior written consent, (a) except for Approved Leases, sell or transfer, or further encumber, whether voluntarily, involuntarily or by operation of law, or contract to sell or transfer, the Mortgaged Property or any part thereof, directly or indirectly, including, but not limited to, by deed, installment sale or long-term lease, or (b) except as may be otherwise specifically provided in the Loan Agreement, sell or transfer, or permit any Person to sell or transfer, whether voluntarily, involuntarily or by operation

of law, any ownership interest in Mortgagor, directly or indirectly, except for the pledge of membership interests in Borrower securing the Subordinated Loan. Any consent given by Mortgagee hereunder shall pertain only to the proposed transfer for which the consent was requested and shall not obligate Mortgagee to approve any further transfers or relieve any person or entity of liability to pay any amount secured hereby.

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4.4. Modifications to Property Restrictions. Mortgagor shall not initiate, join in or consent to any change in any private covenant, zoning ordinance or other public or private restriction which would detract from or limit the value or utility of the Mortgaged Property.

4.5. Demolition of Buildings. Mortgagor shall not cause or permit any building, structure or improvement or other property now or hereafter covered by the lien of this Mortgage and comprising part of the Mortgaged Property to be removed or demolished in whole or in part, or any fixture comprising part of the Mortgaged Property to be removed, severed or destroyed, without the prior written consent of the Mortgagee.

4.6. Waste. Mortgagor will not abandon or cause or permit any waste to the Mortgaged Property.

ARTICLE V
EVENTS OF DEFAULT; REMEDIES

5.1. Events of Default. The occurrence of any one or more of the following shall, at the option of Mortgagee, constitute an event of default (each, an "Event of Default") hereunder (except for defaults under subsection 5.1(f) or (g) below, each of which shall automatically and without any action by Mortgagee constitute an Event of Default hereunder):

(a) Any representation or warranty or financial statement of Mortgagor or Guarantor under this Mortgage or under any of the other Loan Documents shall be untrue in any material adverse respect when made (including by omission of material information necessary to make such representation or warranty or financial statement not misleading);

(b) Mortgagor shall have failed to observe and perform any of the terms, covenants, promises and agreements on its part to be observed and performed under this Mortgage and, except for the events specified in the following subsections of this Section 5.1 (which shall be subject to the grace or cure periods, if any, provided therein), such Default shall not have been cured within thirty (30) days after written notice of such default shall have been given to Mortgagor; provided that, if such Default is curable but not reasonably capable of cure within such thirty (30) day period, Mortgagor shall have such further period, not to exceed a period of sixty (60) days in the aggregate, as may be required to cure such Default, on the condition that Mortgagor commences such cure within the original thirty (30) day period and thereafter diligently prosecutes such cure to completion;

(c) Mortgagor shall have failed to make any payment of principal or interest on the Loan when due, and such Default, other than with respect to the final payment of principal on the Original Maturity Date or Extended Maturity Date, whichever is applicable (as to which no grace period applies), shall not be cured within eight (8) days after such due date;

(d) An Event of Default shall have occurred under any other Loan Document;

(e) Any event of default (after giving effect to any applicable notice and cure periods) shall have occurred under any Hedging Contract or other documents creating Hedging Obligations;

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(f) A petition shall have been filed by Mortgagor or either Guarantor under any of the provisions of the United States Bankruptcy Code, as amended, or any other Federal or state insolvency or similar Law; or such petition shall have been filed against Mortgagor or either Guarantor or a receiver shall have been appointed in a debtor's proceeding for Mortgagor or either Guarantor or any part of its property or assets, or for the Premises or the Improvements, and such petition or receivership shall continue unstayed and in effect for a period of ninety (90) days; or

(g) Mortgagor or either Guarantor shall have made an assignment for the benefit of its or his creditors.

5.2. Remedies. Upon the occurrence of an Event of Default, Mortgagee may, at its option, without further demand, notice or delay, do, and is hereby authorized and empowered by Mortgagor so to do, any or all of the following:

(a) Mortgagee may declare the entire unpaid principal balance of the Loan to be due and payable immediately, whereupon the Obligations Secured shall become immediately due and payable. Thereafter, the default may be cured only by the payment of the entire Obligations Secured.

(b) Mortgagee may (i) institute and maintain an action of mortgage foreclosure against any of the Mortgaged Property, through judicial proceedings or, if available under applicable law, by advertisement, at the option of Mortgagee, pursuant to the applicable statutes, ordinances, or rules of civil procedure, (ii) institute and maintain an action on the Obligations Secured, (iii) have judgment entered pursuant to any power to confess judgment contained in the Note or the Mortgage, (iv) sell or cause to be sold any of the Mortgaged Property at public sale, and convey the same to the purchaser in accordance with said statutes in a single parcel or in several parcels at the option of Mortgagee, or (v) take such other action at law or in equity for the enforcement of any document evidencing or securing the Obligations Secured as the law may allow. Mortgagee may proceed in any such action to final judgment and execution thereon for all sums due under subsection (a) of this Section 5.2, together with interest on such sums at the Default Rate provided in the Loan Agreement, all costs of suit and an attorneys' commission for fees and expenses actually incurred. Interest at a rate equal to the Default Rate shall be due on any judgment obtained by Mortgagee from the date of judgment until actual payment is made of the full amount of the judgment by the Sheriff or otherwise.

(c) Mortgagee may, without releasing Mortgagor from any obligation under any document evidencing or securing the Obligations Secured or under any lease or waiving any default: (i) collect any or all of the rents, including any rents past due and unpaid. (ii) perform any obligation or exercise any right or remedy of Mortgagor under any lease and/or (iii) enforce any obligation of any tenant of any of the Mortgaged Property. Mortgagee shall not be obligated to do any of the foregoing, even if Mortgagee may have performed any obligation or exercised any remedy of landlord or have enforced any obligation of a tenant. Mortgagee may exercise any right under this subsection (c) whether or not Mortgagee shall have entered into possession of any of the Mortgaged Property, and nothing herein contained shall be construed as constituting Mortgagee a "mortgagee in possession" unless Mortgagee shall have entered into and shall remain in actual possession of the Mortgaged Property. Mortgagor hereby authorizes and instructs each and every present and future tenant of any of the Mortgaged Property to pay all rents directly to Mortgagee

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and to perform all other obligations of that tenant for the direct benefit of Mortgagee as if Mortgagee were the landlord under the lease with that tenant immediately upon receipt of a demand by Mortgagee to make such payment or perform such obligations. No tenant shall have any responsibility to ascertain whether such demand is permitted hereunder or whether an Event of Default shall have occurred; Mortgagor hereby waives any right, claim or demand it may now or hereafter have against any such tenant by reason of such payment of rents or performance of obligations to Mortgagee; and any such payment or performance to Mortgagee shall discharge the obligations of the tenant to make such payment or performance to Mortgagor. Mortgagor agrees to indemnify Mortgagee and hold Mortgagee harmless from any and all liability under any lease and from any and all claims and demands which may be asserted against Mortgagee by reason of any alleged obligations to perform any provision of any lease, except as to Mortgagee's own gross negligence or willful misconduct.

(d) Mortgagee may, without releasing Mortgagor from any obligation under any document evidencing or securing the Obligations Secured or under any lease or waiving any default, enter upon and take possession of any of the Mortgaged Property, with or, if permitted by applicable law, without legal action, or have a receiver appointed without proof of depreciation or inadequacy of the value of the Mortgaged Property or other security or proof of the insolvency of Mortgagor. Mortgagee or said receiver may manage and operate any of the Mortgaged Property; make, cancel, enforce or modify leases; obtain and evict tenants; establish or change the amount of any rents; and perform any acts which Mortgagee deems proper to protect the security of this Mortgage. After deduction of all costs and expenses of operation and management of the Mortgaged Property and of collection of the rents (including attorneys' fees actually incurred, administration expenses, management fees and brokers' commissions), Mortgagee may apply the rents received by Mortgagee to the payment of any or all of the following, in such order and amounts as Mortgagee, in its sole discretion, may elect: liens on any of the Mortgaged Property; taxes, claims, insurance premiums, and other carrying charges; invoices of persons who have supplied goods or services to or for the benefit of any of the Mortgaged Property; costs and expenses of any amount outstanding on the Obligations Secured. In addition to the payment of such costs and charges, Mortgagee shall

be entitled to retain from such rents, issues and profits an amount sufficient to reimburse Mortgagee for the costs and expenses Mortgagee incurs in performing or managing such services in relation to the Mortgaged Property. Mortgagee may, in its sole discretion, determine the method by which, and extent to which, the rents will be collected and obligations of tenants enforced, and Mortgagee may waive or fail to enforce any right or remedy of the landlord under a lease. Mortgagee shall not be accountable for any rents or other sums it does not actually receive. Mortgagor hereby appoints Mortgagee as its attorney-in-fact to perform all acts which Mortgagor is required or permitted to perform under any and all leases.

(e) FOR THE PURPOSE OF PROCURING POSSESSION OF THE MORTGAGED PROPERTY IN THE EVENT OF ANY DEFAULT HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENT, MORTGAGOR HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, AS ATTORNEY FOR MORTGAGOR AND ALL PERSONS CLAIMING UNDER OR THROUGH MORTGAGOR, TO APPEAR FOR MORTGAGOR AND CONFESS JUDGMENT PURSUANT TO APPLICABLE LAW AGAINST MORTGAGOR, AND ALL PERSONS CLAIMING

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UNDER OR THROUGH MORTGAGOR, FOR THE RECOVERY BY MORTGAGEE OF POSSESSION OF THE MORTGAGED PROPERTY, WITHOUT ANY STAY OF EXECUTION, FOR WHICH THIS MORTGAGE, OR A COPY HEREOF VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT; AND THEREUPON A WRIT OF POSSESSION MAY BE ISSUED FORTHWITH, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER. MORTGAGOR HEREBY RELEASES MORTGAGEE FROM ALL ERRORS AND DEFECTS WHATSOEVER IN ENTERING SUCH JUDGMENT AND IN CAUSING SUCH WRIT OR WRITS TO BE ISSUED, AND HEREBY AGREES THAT NO WRIT OF ERROR, APPEAL, PETITION TO OPEN OR STRIKE OFF JUDGMENT, OR OTHER OBJECTION SHALL BE FILED OR MADE WITH RESPECT THERETO. IF FOR ANY REASON AFTER SUCH JUDGMENT HAS BEEN CONFESSED THE SAME SHALL BE DISCONTINUED OR POSSESSION OF THE MORTGAGED PROPERTY SHALL REMAIN IN OR BE RESTORED TO MORTGAGOR, MORTGAGEE SHALL HAVE THE RIGHT FOR THE SAME DEFAULT OR ANY SUBSEQUENT DEFAULT TO BRING ONE OR MORE FURTHER JUDGMENTS BY CONFESSION AS ABOVE PROVIDED TO RECOVER POSSESSION OF THE MORTGAGED PROPERTY. MORTGAGEE MAY ENTER SUCH JUDGMENT BEFORE OR AFTER THE INSTITUTION OF FORECLOSURE PROCEEDINGS UPON THIS MORTGAGE, OR AFTER JUDGMENT THEREON OR ON THE LOAN AGREEMENT OR ANY OF THE NOTES, OR AFTER A SALE OF THE MORTGAGED PROPERTY BY THE SHERIFF.

(f) Mortgagee may obtain a receiver to manage the Mortgaged Property and collect the rents, issues, profits and income therefrom.

(g) To the extent legally permissible, Mortgagee may disaffirm and cancel any lease which is subordinate to this Mortgage at any time before the expiration of sixty (60) days after Mortgagee acquires title to the Mortgaged Property by any transfer pursuant to the exercise of a remedy hereunder or otherwise, even though Mortgagee shall have enforced such lease, collected rents thereunder or taken any action that might be deemed by law to constitute an affirmation of the lease. Such disaffirmance shall be made by notice addressed to the tenant at the Mortgaged Property or, at Mortgagee's option, such other address of the tenant as may be provided in that tenant's lease.

(h) Mortgagee may take possession of any of the Mortgaged Property and may sell such property pursuant to the provisions of the applicable Uniform Commercial Code and exercise such other rights and remedies with respect to such property as may be provided by said Code.

(i) Mortgagee may apply on account of the Obligations Secured the balance of the accumulated installment payments made by Mortgagor for taxes, water and sewer rents and insurance premiums.

(j) Upon the acceleration of the maturity of the Obligations Secured as herein provided, a tender of payment of the amount necessary to satisfy the entire Obligations Secured made at any time prior to foreclosure sale by Mortgagor, its successors or assigns, shall, to the extent permitted by law, constitute an evasion of the prepayment terms of the Obligations Secured and be deemed to be a voluntary prepayment thereunder, and Mortgagee shall not be obligated to accept any such tender of payment unless such tender of payment includes the additional prepayment premium required under the terms of the prepayment privilege, if any, contained in the Loan Agreement.

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5.3. Right to Remedy Defaults.

(a) Upon the occurrence of an Event of Default (or, in the case of an emergency threatening the Mortgaged Property or Mortgagee's rights therein, the occurrence of an event which if uncured will constitute an Event of

Default with the passage of time), Mortgagee may (but shall not be obligated to) pay any reasonable sum or perform any other obligation for the account of Mortgagor which Mortgagor has failed to pay or perform in accordance with the terms of this Section.

(b) In the event of Mortgagor's failure to pay the taxes, water rents or charges, sewer rents, charges, claims, assessments, liens, or encumbrances described in Section 3.2, or to furnish and pay for the insurance required in Section 3.15, or to keep the Mortgaged Property in good condition and repair as provided in Section 3.3, or to discharge any liens, encumbrances, or charges as provided in Section 3.9, Mortgagee may, at its option, pay any or all such items, together with penalties and interest thereon and procure and pay for such insurance and repairs, and Mortgagee may at any time and from time to time advance such additional sum or sums as Mortgagee in its sole discretion may deem necessary to protect the security of this Mortgage. All such sums to be paid or advanced by Mortgagee shall be included in the Obligations Secured, and shall upon demand be repaid by Mortgagor, together with interest thereon at the Default Rate.

5.4. Remedies Cumulative. Mortgagee may exercise all of the rights and remedies provided in this Mortgage or the other Loan Documents, or which may be available to Mortgagee by law, and all such rights and remedies shall be cumulative and concurrent and may be pursued singly, successively or together, at Mortgagee's sole discretion, and may be exercised as often as occasion therefor shall occur. Any real estate sold pursuant to any writ of execution issued on a judgment obtained by virtue of the Note or this Mortgage, or pursuant to any other judicial proceedings under the Mortgage, may be sold in one parcel, as an entirety, or in such parcels, and in such manner or order as Mortgagee, in its sole discretion, may elect.

5.5. Waivers by Mortgagor. Mortgagor hereby waives and releases (a) all technical errors, defects and imperfections in any proceedings instituted by Mortgagee under this Mortgage, (b) all benefits that might accrue to Mortgagor by virtue of any present or future laws exempting the Mortgaged Property or any part of the proceeds arising from any sale thereof from attachment, levy or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment, (c) all notices not herein elsewhere specifically required of Mortgagor's default or of Mortgagee's exercise, or election to exercise, any option under this Mortgage, and (d) any present or future statute of limitation or moratorium law or any other present or future law, regulation or judicial decision which provides for any stay of execution, marshaling of assets, exemption from civil process, redemption, extension of time for payment or valuation or appraisal of any of the Mortgaged Property.

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5.6. No Waiver Implied. Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms, covenants, agreements, conditions and provisions hereof shall not be deemed to be a waiver of any of the terms, covenants, agreements, conditions and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms, covenants, agreements, conditions and provisions of this Mortgage to be performed by Mortgagor. Neither Mortgagor nor any other person now or hereafter obligated for the payment of the whole or any part of the Obligations Secured shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor or any other person so obligated to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or of any obligations secured by this Mortgage, or by reason of the release, regardless of consideration, of the whole or any part of the security held for the Obligations Secured, or by reason of any agreement or stipulation between any subsequent owner or owners of the Mortgaged Property and Mortgagee extending the time of payment or modifying the terms of any of the Note or Mortgage without first having obtained the consent of Mortgagor or such other person, and in the latter event, Mortgagor and all such other persons shall continue liable to make such payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by Mortgagee. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, Mortgagee may release the obligation of anyone at any time liable for the Obligations Secured or any part of the security held for the Obligations Secured and may extend the time of payment or otherwise modify the terms of the Loan Agreement or this Mortgage, or both, without, as to the security of the remainder thereof, in anyway impairing or affecting the lien of this Mortgage or the priority of such lien as security for the payment of the indebtedness as it may be so extended or modified over any subordinate lien. For the payment of the indebtedness secured hereby Mortgagee may resort to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

5.7. Counsel Fees. If Mortgagee becomes a party to any suit or proceeding affecting the Mortgaged Property or title thereto, the lien created by this Mortgage or Mortgagee's interest therein, or if Mortgagee engages counsel to collect the Obligations Secured or to enforce performance of the agreements, conditions, covenants, provisions or stipulations of this Mortgage or the other Loan Documents, Mortgagee's costs, expenses and reasonable counsel fees actually incurred (notwithstanding any right to confess judgment and collect a stipulated amount as set forth in any other Loan Document), whether or not an Event of Default is declared or suit is instituted, shall be paid to Mortgagee by Mortgagor, on demand, with interest at the Default Rate, and until paid they shall be included in the Obligations Secured and secured by this Mortgage.

5.8. Extensions; Release of Security.

(a) The granting of an extension or extensions of time by Mortgagee with respect to the performance of any provision of this Mortgage or the obligation on the part of Mortgagor to be performed, or the taking of any additional security, or the waiver by Mortgagee or failure by Mortgagee to enforce any provision of this Mortgage or the Loan Agreement or to declare a default with respect thereto, shall not operate as a waiver of any subsequent default or defaults or affect the right of Mortgagee to exercise all rights or remedies stipulated herein and therein.

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(b) Mortgagee, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, may release any part of the security described herein or any person liable for the Obligations Secured without in any way affecting the priority of the lien of this Mortgage, to the full extent of the Obligations Secured remaining unpaid hereunder upon any part of the security not expressly released and may agree with any party obligated on the Obligations Secured or having any interest in the security described herein to extend the time for payment of any part or all of the Obligations Secured. Such agreement shall not, in any way, release or impair the lien hereof, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to said lien.

(c) In the event Mortgagee (i) releases, as aforesaid, any part of the security described herein or any person liable for the Obligations Secured, or (ii) grants an extension of time on any payments of the Obligations Secured, or (iii) takes other or additional security for the payment thereof, or (iv) waives or fails to exercise any right granted herein or in the Loan Agreement, said act or omission shall not release Mortgagor, subsequent transferees of the Mortgaged Property or any part thereof, or makers or sureties of this Mortgage or of the Obligations Secured, from any covenant of this Mortgage or of the Obligations Secured, nor preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or any subsequent default.

ARTICLE VI
MISCELLANEOUS

6.1. Invalid Provisions Disregarded. If any term or provision of this Mortgage or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Mortgage, or the application of such term or the 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 Mortgage shall be valid and be enforced to the fullest extent permitted by law.

6.2. Applicable Law. This Mortgage is delivered and intended to be performed in the Commonwealth of Pennsylvania and shall be construed in accordance with the laws of said Commonwealth.

6.3. Notices. Unless otherwise expressly provided under this Mortgage, all notices, requests, demands, directions and other communications (collectively "notices") given to or made upon any party under the provisions of this Mortgage (and unless otherwise specified, in each other Loan Document) shall be in writing and shall be delivered by hand, nationally recognized overnight courier or U.S. mail to the respective parties at the following addresses or in accordance with any subsequent unrevoked written direction from any party to the others:

If to Mortgagor:

Cedar-Camp Hill, LLC,
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Attention: Leo S. Ullman

with a copy to:

Stuart H. Widowski, Esquire
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050

If to Mortgagee:

Citizens Bank Of Pennsylvania
2001 Market Street, 6th Floor
Philadelphia, Pennsylvania 19103-7053
Attention: Mr. Robert L. Schopf
Vice President

with a copy to:

Pepper Hamilton LLP
400 Berwyn Park
899 Cassatt Road
Berwyn, Pennsylvania 19312
Attention: David H. Huggler, Esq.

All notices shall, except as otherwise expressly provided in this Mortgage, be effective (a) in the case of hand-delivered notice, when hand delivered, (c) if given by U.S. mail, three (3) Business Days after such communication is deposited in the mails with overnight first class postage prepaid, return receipt requested, and (d) if given by any other means (including by air courier), when delivered.

6.4. Captions. The captions appearing in this Mortgage are inserted solely for convenience of reference and shall not constitute a part of this Mortgage, nor shall they in any way affect its meaning, construction or effect.

6.5. Construction. The word "Mortgagor" whenever used herein is intended to and shall be construed to mean the partnership which executes these presents, and its successors and assigns.

6.6. Usury. Nothing herein contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively to require Mortgagor (a) to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (b) to make any payment or do any act contrary to law, but if any clause or provision herein contained shall otherwise so operate to invalidate this Mortgage or the Note secured hereby, in whole or in part, then such clause or provision only shall be disregarded as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect. Any interest paid in excess of the lawful rate shall be refunded to Mortgagor. Such refund shall be made by application of the excessive amount of interest paid against any sums outstanding under the Obligations Secured and shall be applied in such order as Mortgagee may determine. If the excessive amount of interest paid exceeds the sums outstanding under the Obligations Secured, the portion exceeding the said sums outstanding under the Obligations Secured shall be refunded in cash by Mortgagee. Any such crediting or refund shall not cure or waive any default by Mortgagor hereunder or under the Obligations Secured. Mortgagor agrees, however, that in determining whether or not any interest payable under the Obligations Secured or this Mortgage exceeds the highest rate permitted by law, any non-principal payment (except payments specifically stated in the obligation to be "interest"), including, without limitation prepayment premiums and late charges, shall be deemed, to the extent permitted by law, to be an expense, fee, premium or penalty rather than interest.

6.7. Certain Advances. As contemplated by 42 Pa. C.S.A. ss.8 144, this Mortgage secures, and the Obligations Secured include, the unpaid balances of any advances made with respect to the Mortgaged Property for the payment of taxes, assessments, maintenance charges, insurance premiums or costs incurred for the protection of the Mortgaged Property or the lien of this Mortgage and expenses incurred by Mortgagee by reason of default by Mortgagor under this Mortgage.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be duly executed under seal, the day and year first above written.

CEDAR-CAMP HILL, LLC, a Delaware limited liability company, by its sole member, as follows:

Cedar Income Fund Partnership, L.P., a Delaware limited partnership, by its sole general partner, as follows:

Cedar Income Fund, Ltd., a Maryland corporation

Attest: _____
Name: Stuart H. Widowski
Title: Secretary

By: _____
Name: Brenda J. Walker
Title: Vice President

The address of the within-named Mortgagee is:

Citizens Bank of Pennsylvania
2001 Market Street, 6th Floor
Philadelphia, Pennsylvania 19103-7053

- _____
On behalf of the Mortgagee

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COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2002, before me a Notary Public in and for the Commonwealth and County aforesaid, personally appeared _____, who acknowledged himself to be the _____ of Cedar Income Fund, Ltd., a Maryland corporation, sole general partner of Cedar Income Fund Partnership, L.P., a Delaware limited partnership, the sole member of Cedar-Camp Hill, LLC, a Delaware limited liability company, and that as such partner being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

Exhibit A

Legal Description

PROMISSORY NOTE

\$14,000,000

Harrisburg, Pennsylvania

Executed on November 14, 2002, to be delivered on November 15, 2002

FOR VALUE RECEIVED, the undersigned, CEDAR-CAMP HILL, LLC, a Delaware limited liability company, with an office in care of CEDAR BAY REALTY ADVISORS, INC., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050 ("Maker"), promises to pay to the order of CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered savings bank, with an office at 2001 Market Street, 6th Floor, Philadelphia, Pennsylvania 19103-7053, or any successor holder of this Note ("Payee"), the principal sum of FOURTEEN MILLION DOLLARS (\$14,000,000), or so much thereof as has been advanced to Maker pursuant to the Loan Agreement (as hereinafter defined), together with interest at the rates and at the times specified in the Loan Agreement.

1. Loan Documents. This Note is issued pursuant to that certain Loan Agreement dated this date (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), between Maker and Payee, to which Loan Agreement reference is hereby made for a statement of all of the terms and conditions under which the Loan is being made, and is entitled to the benefit and security of the Loan Documents. Capitalized terms used in this Note without definition shall have the same meanings ascribed to those terms in the Loan Agreement.

2. Principal and Interest. The principal amount of the indebtedness evidenced hereby shall be payable in the amounts and on the dates specified in the Loan Agreement. Interest thereon shall be paid until such principal amounts are paid in full at such interest rates and at such times as are specified in the Loan Agreement.

3. Payments. Payments of both principal and interest shall be made without set-off, counterclaim or other deduction of any nature at the office of Payee located at 2001 Market Street, 6th Floor, Philadelphia, Pennsylvania 19103-7053, in immediately available funds and otherwise in accordance with the requirements of the Loan Agreement.

4. Event of Default; Acceleration. Upon and after the occurrence of an Event of Default, this Note may, as provided in the Loan Agreement, and without demand, notice or legal process of any kind (except as may be expressly provided in the Loan Documents), be declared, and immediately shall become, due and payable.

5. Remedies. Upon and after the occurrence of an Event of Default, Maker's payment and performance obligations hereunder and under the Loan Documents may be enforced and recovered in whole or in part at any time and from time to time by one or more of the remedies provided to Payee in the Loan Agreement or in any other Loan Document or as otherwise provided at law or in equity, all of which remedies are cumulative and concurrent.

6. Waivers. Maker waives diligence, demand, presentment, protest and notice of nonpayment, protest and any renewals or extensions of this Note.

7. Governing Law. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

8. Amendments. This Note may only be amended by an instrument in writing signed by both Maker and Payee.

9. Captions. The captions or headings of the paragraphs of this Note are for convenience only and shall not control or affect the meaning or construction of any of the terms or provisions of this Note.

10. CONFESSION OF JUDGMENT. THE FOLLOWING PARAGRAPH SETS FORTH A WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST MAKER. IN GRANTING THIS WARRANT OF ATTORNEY, MAKER HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, AND ON THE ADVICE OF ITS SEPARATE COUNSEL, UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS WITH RESPECT TO SUCH WARRANT AND ANY EXECUTION THEREON THAT MAKER MAY HAVE TO

UPON THE OCCURRENCE OF AN EVENT OF DEFAULT HEREUNDER, MAKER HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF RECORD, OR THE PROTHONOTARY OR CLERK OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, TO APPEAR FOR MAKER AT ANY TIME OR TIMES, IN ANY SUCH COURT IN ANY ACTION BROUGHT AGAINST MAKER WITH RESPECT TO THE AGGREGATE AMOUNTS PAYABLE HEREUNDER, WITH OR WITHOUT DECLARATION FILED, AS OF ANY TERM, AND THEREIN TO CONFESS OR ENTER JUDGMENT AGAINST MAKER FOR ALL SUMS PAYABLE BY MAKER TO PAYEE HEREUNDER, AS EVIDENCED BY AN AFFIDAVIT SIGNED BY A DULY AUTHORIZED DESIGNEE OF PAYEE SETTING FORTH SUCH AMOUNT THEN DUE FROM MAKER TO PAYEE, PLUS REASONABLE ATTORNEYS FEES, WITH COSTS OF SUIT, RELEASE OF PROCEDURAL ERRORS. IF A COPY OF THIS NOTE, VERIFIED BY AFFIDAVIT, SHALL HAVE BEEN FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY. MAKER WAIVES THE RIGHT TO ANY STAY OF EXECUTION AND THE BENEFIT OF ALL EXEMPTION LAWS NOW OR HEREAFTER IN EFFECT. NO SINGLE EXERCISE OF THE FOREGOING WARRANT AND POWER TO BRING ANY ACTION OR CONFESS JUDGMENT THEREIN SHALL BE DEEMED TO EXHAUST THE POWER, BUT THE POWER SHALL CONTINUE UNDIMINISHED AND MAY BE EXERCISED FROM TIME TO TIME AS OFTEN AS PAYEE SHALL ELECT UNTIL ALL AMOUNTS PAYABLE TO PAYEE HEREUNDER SHALL HAVE BEEN PAID IN FULL.

11. WAIVER OF JURY TRIAL. MAKER AND PAYEE (BY ACCEPTANCE OF THIS NOTE) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE

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EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF PAYEE RELATING TO THE ADMINISTRATION OF THE LOAN OR ENFORCEMENT OF THE LOAN DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, MAKER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. MAKER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF PAYEE HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT PAYEE WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR PAYEE TO ACCEPT THIS NOTE AND MAKE THE LOAN.

12. Successors and Assigns. This Note shall bind Maker and its successors and assigns and the benefits hereof shall inure to the benefit of Payee and its successors and assigns.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Maker has caused this Note to be duly executed as of the day and year first above written.

CEDAR-CAMP HILL, LLC, a Delaware limited liability company, by its sole member, as follows:

Cedar Income Fund Partnership, L.P., a Delaware limited partnership, by its sole general partner, as follows:

CEDAR INCOME FUND, LTD., a Maryland Corporation

Attest: _____ By: _____
Name: Stuart H. Widowski Name: Brenda J. Walker
Title: Secretary Title: Vice President

GUARANTY AND SURETYSHIP AGREEMENT

THIS GUARANTY AND SURETYSHIP AGREEMENT (this "Agreement") executed on November 14, 2002, to be delivered on November 15, 2002, by CEDAR INCOME FUND, LTD., a Maryland corporation ("Cedar REIT"), and CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Cedar Operating Partnership") (individually, a "Guarantor" and, collectively, the "Guarantors"), in favor of CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered savings bank ("Lender").

Background

CEDAR-CAMP HILL, LLC, a Delaware limited liability company ("Borrower"), and Lender have entered into a certain Loan Agreement dated this date (as the same may be amended, modified or supplemented, from time to time, the "Loan Agreement") pursuant to which Lender has agreed to extend a certain credit facility to Borrower in the principal amount of Fourteen Million Dollars (\$14,000,000) ("Loan"), which Loan is evidenced by a certain Promissory Note dated this date ("Note") executed by Borrower and made payable to the order of Lender in the stated principal amount of the Loan. The Note is secured, inter alia, by an Open-end Mortgage and Security Agreement dated this date ("Mortgage") given by Borrower to Lender encumbering Borrower's interest in certain land and the buildings and improvements thereon located at 32nd Street (a/k/a U.S. Route 11/15) and Trindle Road in Camp Hill, Cumberland County, Pennsylvania, as more particularly described in the Mortgage (such land and improvements, collectively, the "Project").

The Loan Agreement, Note, Mortgage and all other documents evidencing or securing the Loan are hereinafter sometimes referred to individually as a "Loan Document" and collectively as the "Loan Documents", and the Loan Documents are hereby incorporated herein by reference. Capitalized terms used in this Agreement without definition shall have the same meanings ascribed to those terms in the Loan Agreement.

Each Guarantor is an Affiliate of Borrower, and in such capacity each Guarantor will be directly and materially benefitted by the making of the Loan by Lender to Borrower.

Lender, as a condition to its agreement to make the Loan to Borrower, and as a material inducement thereto, has required that Guarantors execute this Agreement for all of the purposes hereinafter set forth.

Agreement

NOW THEREFORE, Guarantors, for and in consideration of the Loan being made to Borrower, and intending to be legally bound, hereby covenant and agree as follows:

1. The Guaranteed Obligations. Guarantors, each for itself and its successors and assigns, hereby irrevocably, unconditionally, absolutely, and jointly and severally, guarantee to Lender, and its successors, endorsees and assigns, and become sureties for the prompt payment, compliance and performance by Borrower of each of the following obligations of Borrower under the Loan Documents (the payment, compliance and performance obligations hereunder guaranteed by Guarantors are hereinafter collectively referred to as the "Guaranteed Obligations"):

(a) The payment of the principal amount of the Note to the extent of Three Million Five Hundred Thousand Dollars (\$3,500,000) ("Specified Principal Guaranty Amount"), which Specified Principal Guaranty Amount shall not be reduced by payments on account of the Note through regularly scheduled payments of principal and/or interest, enforcement of remedies following an Event of Default or from any other source until and then only to the extent that either (i) the total principal balance of the Note is reduced to less than the Specified Principal Guaranty Amount or (ii) Guarantors pay to Lender the Specified Principal Guaranty Amount;

(b) The payment of all Hedging Obligations; and

(c) The payment of all damages and/or losses suffered or incurred by Lender in any way arising out of, resulting from or relating to any one or more of the following: (i) any fraud or willful misrepresentation committed by Borrower; (ii) any retention by Borrower of rental income, security deposits, or similar income of the Project after an Event of Default has occurred, to the extent of such retention (except to the extent applied to the payment of principal and interest then due under the Loan); (iii) any real property taxes or assessments accrued prior to Lender's acquisition of ownership of the Project following an Event of Default; (iv) removal and failure to replace any personal property securing the Loan, other than in the ordinary course of Borrower's business; (v) misapplication of insurance or condemnation proceeds relating to the Project; (vi) failure to maintain hazard or liability insurance relating to the Project in accordance with the Loan Documents; (vii) the presence of any Hazardous Substances (as that term is defined in the Environmental Agreement) which may affect the Project or any misrepresentation or breach of any covenants

or indemnities by Borrower set forth in any of the Loan Documents with respect to Hazardous Substances, including without limitation those set forth in the Environmental Agreement; (viii) any transfer of the Project or any portion thereof without prior written consent of Lender; (ix) any indebtedness secured by a mortgage covering the Project other than the Loan; (x) the commencement of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution, liquidation or receivership proceedings instituted by or against Borrower or either Guarantor unless such proceedings are withdrawn, dismissed or discharged within sixty (60) days; (xi) any defense, counterclaim or other effort by or on behalf of Borrower to contest, defend or delay mortgage foreclosure proceedings or acquisition of a deed in lieu of foreclosure by Lender following the occurrence of an Event of Default, provided that, if such Event of Default is not the result of the failure to make a payment of principal or interest under the Loan when due, there shall be no personal liability if any such defense or counterclaim succeeds on its merits as a result of which there is no recovery by Lender; and (xii) all fees and costs, including reasonable attorneys fees, incurred in enforcing and collecting under this Agreement.

The Guaranteed Obligations set forth in this Section 1 are separate and independent of each other, and the payment, compliance and performance of one or more of such Guaranteed Obligations shall not constitute the payment, compliance or performance on account of or with respect to any other of such Guaranteed Obligations.

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2. Guaranteed Obligations Absolute and Unconditional. This Agreement shall constitute an agreement of suretyship as well as of guaranty and shall constitute an absolute and unconditional undertaking by each Guarantor with respect to the payment and performance of the Guaranteed Obligations by Borrower. The liability of Guarantors hereunder shall be joint and several and direct and may be enforced without Lender being required to resort to any other right, remedy or security, and this Agreement shall be enforceable against each Guarantor, its successors and assigns, without the necessity of any notice of acceptance of this Agreement or of Lender's intention to act in reliance hereon, or of any loan to or other transaction between any Lender and Borrower, or of any default by Borrower, all of which Guarantors hereby expressly waive.

3. Further Undertakings.

(a) Each Guarantor hereby expressly:

(i) Agrees that the validity of this Agreement shall in no way be terminated, affected or impaired by reason of the assertion or the failure to assert by Lender against Borrower, or its successors or assigns, of any of the rights or remedies reserved pursuant to the Note, the Mortgage or any other Loan Document or otherwise available to Lender at law or in equity, including, without limitation, the remedy of foreclosure available under the Mortgage;

(ii) Waives any right which such Guarantor might otherwise have under any statute, rule of law or practice or custom to require Lender to take any action against Borrower or to proceed against or exhaust any security held by Lender before proceeding against such Guarantor;

(iii) Except as may be otherwise specifically provided in this Agreement or any other Loan Documents, waives any notice of (A) any presentment, demand, protest, notice of protest and of dishonor, notices of default and all other notices with respect to any of the Guaranteed Obligations, and (B) the commencement or prosecution of any enforcement proceeding, including any proceeding in any court, against Borrower or any other person or entity with respect to any of the Guaranteed Obligations;

(iv) Agrees that any failure by Lender to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any other time and from time to time thereafter; and

(v) Agrees that Lender shall have and may exercise all rights, privileges and remedies available to it hereunder and at law or in equity with respect to this Agreement, all at the cost of Guarantors.

(b) Until all of the Guaranteed Obligations are completely fulfilled and each and every one of the terms, covenants, and conditions of this Agreement are fully performed, the liability of Guarantors under this Agreement shall not be released, discharged or in any way impaired by:

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(i) Any amendment or modification of or supplement to or extension or renewal of the Loan Agreement, Note or any other Loan Document, or any agreements made or to be made between Lender and Borrower with respect to any of the Guaranteed Obligations;

(ii) Any exercise or non-exercise by Lender of any right, power, remedy or privilege under or with respect to the Loan Agreement, Note or any other Loan Document or this Agreement or any waiver, consent or approval by

Lender with respect to any of the covenants, terms, conditions or agreements contained in the Note or any other Loan Document, or any indulgence, forbearance or extension of time for performance or observance allowed to Borrower by Lender from time to time and for any length of time;

(iii) Any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding relating to Borrower or its successors or assigns, or any of its properties;

(iv) Any transfer by Borrower of any of Borrower's interest in the Project; or

(v) Any act or circumstances which might, but for the terms and provisions of this Section 3, be deemed a legal or equitable discharge of either Guarantor.

(c) Each Guarantor hereby expressly waives, to the fullest extent permitted by law, and surrenders any defenses to such Guarantor's liability hereunder based upon any of the foregoing acts, omissions, agreements, or waivers by Lender, it being the purpose and intent of this Agreement that the obligations of Guarantors hereunder are absolute and unconditional.

(d) Each Guarantor hereby further agrees and consents that Lender may, without affecting the liability of such Guarantor hereunder:

(i) Exchange or surrender any property pledged by Borrower or any other surety or accept additional security for the Guaranteed Obligations or any of them;

(ii) Renew and change the terms of any of Borrower's liabilities;

(iii) Waive any of Lender's rights or remedies against Borrower or any other surety for the above liabilities;

(iv) Release, substitute or add any one or more sureties; or

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(v) Proceed against either or both Guarantors without first resorting to, utilizing or invoking the remedies available against Borrower under the Loan Documents whether at law or in equity. No enforcement of rights and remedies under this Agreement or any of the Loan Documents shall constitute an irrevocable election of remedies by Lender. Lender shall not be obligated to marshal remedies or assets as a condition to enforcing the liabilities incurred hereunder against either or both Guarantors. The liability of Guarantors hereunder shall be joint and several and in addition to that stated in any other guaranty or suretyship agreement, if any, heretofore or hereafter delivered to Lender.

(e) Each Guarantor hereby grants to Lender a continuing lien, security interest and right of setoff as security for all liabilities and obligations to Lender whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Lender. At any time after an Event of Default, without demand or notice (any such notice being expressly waived by such Guarantor), Lender may setoff the same or any part thereof and apply the same to any liability or obligation of such Guarantor even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF SUCH GUARANTOR, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

4. Liabilities Not Affected.

(a) This Agreement shall be a continuing, absolute, and unconditional guaranty regardless of the validity, regularity, enforceability, or legality of (i) any of the Guaranteed Obligations, (ii) any collateral securing the Guaranteed Obligations, or (iii) any term of any document evidencing or relating to any of the Guaranteed Obligations, including, but not limited to, the Loan Documents. In the event that for any reason one or more of the provisions of this Agreement or their application to any person or circumstance shall be held to be invalid, illegal, or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal, and enforceable in all other respects and to such extent as may be permissible, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

(b) No exercise or non-exercise by Lender of any rights given to Lender under the Loan Documents, no dealing by Lender with Guarantors or either of them or any other surety, Borrower or any other person, and no change, impairment, release or suspension of any right or remedy of Lender against any person or entity, including Borrower and any other surety, shall in any way affect any of the obligations of either Guarantor hereunder or any security

furnished by either Guarantor, give either Guarantor any recourse or offset against Lender or be construed as a waiver of the right to exercise the same or any other right at any time and from time to time thereafter.

(c) If Lender has exculpated Borrower from personal liability in whole or in part and/or agreed to look solely to the Project for the satisfaction of Borrower's obligations under the Loan Documents, said exculpation and agreement shall not affect the obligations of either Guarantor hereunder, it being understood that each Guarantor's obligations hereunder are independent of the obligations of Borrower and are to be construed as if no such exculpation or agreement had been given to Borrower by Lender. It is further understood and agreed that if any such exculpation or agreement has been or at any time hereafter is given to Borrower, Lender has done or will do so in reliance upon the agreements of Guarantors expressed herein.

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(d) This Agreement and Guarantors' payment obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by Lender, all as though such payments had not been made. Lender's good faith determination as to whether a payment must be restored or returned shall be binding on Guarantors.

5. Subordination. All existing and future obligations or indebtedness of Borrower to either Guarantor and the right of such Guarantor to withdraw any capital invested by such Guarantor in Borrower is hereby subordinated to the Guaranteed Obligations. Such subordinated indebtedness and capital shall not be paid or withdrawn in whole or in part nor will such Guarantor accept any payment of or on account of any such indebtedness or as a withdrawal of capital, without the prior written consent of Lender at any time during the continuance of an Event of Default, and at Lender's request at any time after the occurrence and during the continuance of an Event of Default such Guarantor shall cause Borrower to pay to Lender all or any part of such subordinated indebtedness and any capital which such Guarantor is entitled to withdraw to the extent such subordinated indebtedness or capital has not already been paid or distributed to Guarantors in compliance with the Loan Agreement. Subject to the terms and provisions of the Loan Agreement, so long as no Event of Default has occurred and is continuing, each Guarantor shall have the right to receive payments of any such subordinated indebtedness and shall have the right to receive dividends, distributions, payments, capital withdrawals and the like. Any payment by Borrower in violation of this Agreement shall be received by Guarantors in trust for Lender, and Guarantors shall cause the same to be paid to Lender immediately on account of the indebtedness of Borrower to Lender.

6. Claims in Bankruptcy. Each Guarantor shall file in any bankruptcy or other proceeding in which the filing of claims is required by law all claims which such Guarantor may have against Borrower relating to any indebtedness of Borrower to such Guarantor and hereby assigns to Lender all rights of such Guarantor thereunder. If such Guarantor does not file any such claim, Lender, as attorney-in-fact for each Guarantor, is hereby authorized to do so in the name of such Guarantor or, in Lender's discretion, to assign the claim to a nominee and to cause proof of claim to be filed in the name of Lender's nominee. The foregoing power of attorney is coupled with an interest and cannot be revoked. Lender or its nominee shall have the sole right to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Lender the amount payable on such claim and, to the full extent necessary for that purpose, each Guarantor hereby assigns to Lender all rights to any such payments or distributions to which such Guarantor would otherwise be entitled; provided, however, that such Guarantor's obligations hereunder shall not be satisfied except to the extent that Lender receive cash or property acceptable to Lender by reason of any such payment or distribution. If Lender receives anything hereunder other than cash or property acceptable to Lender, the same shall be held as collateral for amounts due under this Agreement.

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7. No Subrogation.

(a) Nothing herein contained is intended or shall be construed to give either Guarantor any right of subrogation in or under the Note or any other Loan Document or any right to participate in any way therein, notwithstanding any payments made or obligations performed by such Guarantor pursuant to this Agreement, until all of the Guaranteed Obligations have been paid and performed and all preference and other periods (collectively, the "Recapture Periods") during which any bankruptcy or other court, Governmental Authority or Person could have any right to recover, revoke or otherwise eliminate or reduce the benefit to Lender of the payment and performance of the Guaranteed Obligations (collectively, the "Recapture Rights") have expired with no Recapture Rights having been asserted.

(b) EACH GUARANTOR HEREBY IRREVOCABLY WAIVES AND RELEASES ANY AND ALL RIGHTS IT MAY HAVE AT ANY TIME (WHETHER ARISING DIRECTLY OR INDIRECTLY, BY

OPERATION OF LAW, CONTRACT OR OTHERWISE) (i) TO ASSERT ANY CLAIM AGAINST BORROWER OR ANY OTHER PERSON, OR AGAINST ANY DIRECT OR INDIRECT SECURITY FOR THE LOAN, ON ACCOUNT OF PAYMENTS MADE OR OBLIGATIONS PERFORMED UNDER OR PURSUANT TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY AND ALL RIGHTS OF SUBROGATION, REIMBURSEMENT, EXONERATION, CONTRIBUTION OR INDEMNITY, UNTIL ALL OF THE GUARANTEED OBLIGATIONS HAVE BEEN PAID AND PERFORMED AND THE RECAPTURE PERIODS HAVE EXPIRED WITH NO RECAPTURE RIGHTS HAVING BEEN ASSERTED, (ii) TO REQUIRE THE MARSHALLING OF ANY ASSETS OF BORROWER, WHICH RIGHT OF MARSHALLING MIGHT OTHERWISE ARISE FROM PAYMENTS MADE OR OBLIGATIONS PERFORMED UNDER OR PURSUANT TO THIS AGREEMENT, AND (iii) SUBJECT TO SUBSECTION (a) HEREOF, THAT WOULD RESULT IN SUCH GUARANTOR BEING DEEMED A "CREDITOR" OF BORROWER OR ANY OTHER PERSON UNDER THE UNITED STATES BANKRUPTCY CODE BY REASON OF ANY PAYMENT MADE OR DEBT OWED UNDER THIS GUARANTY OR OTHERWISE IN CONNECTION WITH THE LOAN.

8. Default and Remedies.

(a) Each of the following, at the option of Lender, shall constitute an "Event of Default" hereunder: (i) If an Event of Default occurs under and as defined in any Loan Document, or (ii) if either Guarantor fails to perform in any material respect any of the terms, conditions or covenants contained herein within eight (8) days following written demand as to any obligation relating to the payment of money (provided, however, that such demand shall not be required in more than two (2) consecutive months, or three (3) months in the aggregate, in any calendar year) or thirty (30) days following written demand as to any other obligation (provided that, if such default cannot reasonably be cured within such thirty (30) day period but Guarantors undertake to cure such default within such thirty (30) day period, such thirty (30) day period shall be extended to sixty (60) days), or (iii) if any representation or warranty made by either Guarantor herein or in writing in connection herewith is false or misleading in any material adverse respect when made, or (iv) if by decree of a court of competent jurisdiction, either Guarantor shall be adjudicated bankrupt or insolvent, or either Guarantor's property shall have been sequestered, and such decree shall have continued undischarged and unstayed for ninety (90) days after the entry thereof, or if any proceedings under the Federal Bankruptcy Code or any similar statute applicable to either Guarantor, as now or hereafter in effect, shall be instituted against either Guarantor and be consented to by the respondent or any order for relief shall be entered in such proceeding or such proceeding shall not be dismissed within ninety (90) days after such filing, or if either Guarantor shall institute any such proceeding against either Guarantor under any such law, or if either Guarantor shall make an assignment for the benefit of creditors or shall admit in writing an inability to pay debts generally as they become due or shall consent to the appointment of a receiver or liquidator or trustee of either Guarantor or of all or any part of its property.

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(b) If any Event of Default occurs hereunder, Lender, without any further demand or proceeding against Borrower, (A) may forthwith recover from either or both Guarantors the full amount of any liability hereunder; and (B) may sell all or any part of any property held as security hereunder on any exchange or at public or private sale at its option at any time or times without advertisement or demand upon or notice to either Guarantor (all of which are hereby waived), except such notice as is required by applicable statute and cannot be waived, with the right on the part of Lender or its nominee, to become the purchaser thereof at such sale (unless prohibited by statute), free from any equity of redemption and from all other claims.

(c) If an Event of Default occurs hereunder, each Guarantor shall, in addition to all other liabilities hereunder, be liable to Lender for all costs and expenses, including reasonable attorney's fees and court costs, incurred by Lender in enforcing this Agreement, and any judgment entered against either Guarantor pursuant to this Agreement shall bear interest until paid at the Default Rate and not at the statutory rate of interest after judgment and shall be collectible as part of any judgment hereunder.

(d) THE FOLLOWING PARAGRAPH SETS FORTH A WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST GUARANTORS. IN GRANTING THIS WARRANT OF ATTORNEY, EACH GUARANTOR HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, AND ON THE ADVICE OF HIS SEPARATE COUNSEL, UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS WITH RESPECT TO SUCH WARRANT AND ANY EXECUTION THEREON THAT SUCH GUARANTOR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES AND THE COMMONWEALTH OF PENNSYLVANIA.

EACH GUARANTOR HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF RECORD, OR THE PROTHONOTARY OR CLERK OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, TO APPEAR FOR SUCH GUARANTOR AT ANY TIME OR TIMES DURING THE CONTINUANCE OF AN EVENT OF DEFAULT HEREUNDER, IN ANY SUCH COURT IN ANY ACTION BROUGHT AGAINST SUCH GUARANTOR BY LENDER WITH RESPECT TO THE AGGREGATE AMOUNT PAYABLE HEREUNDER, WITH OR WITHOUT DECLARATION FILED, AS OF ANY TERM, AND THEREIN TO CONFESS OR ENTER JUDGMENT AGAINST SUCH GUARANTOR FOR ALL SUMS PAYABLE BY SUCH GUARANTOR TO LENDER HEREUNDER, AS EVIDENCED BY AN AFFIDAVIT SIGNED BY A DULY AUTHORIZED DESIGNEE OF LENDER SETTING FORTH SUCH AMOUNT THEN DUE FROM SUCH GUARANTOR TO LENDER, TOGETHER WITH REASONABLE ATTORNEY'S FEES, WITH COSTS OF SUIT, RELEASE OF PROCEDURAL ERRORS. IF A COPY OF THIS AGREEMENT,

VERIFIED BY AFFIDAVIT, SHALL HAVE BEEN FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY. EACH GUARANTOR WAIVES THE RIGHT TO ANY STAY OF EXECUTION AND THE BENEFIT OF ALL EXEMPTION LAWS NOW OR HEREAFTER IN EFFECT. NO SINGLE EXERCISE OF THE FOREGOING WARRANT AND POWER TO BRING ANY ACTION OR CONFESS JUDGMENT THEREIN SHALL BE DEEMED TO EXHAUST THE POWER, BUT THE POWER SHALL CONTINUE UNDIMINISHED AND MAY BE EXERCISED FROM TIME TO TIME AS OFTEN AS LENDER SHALL ELECT UNTIL ALL AMOUNTS PAYABLE TO LENDER HEREUNDER SHALL HAVE BEEN PAID IN FULL.

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9. WAIVER OF JURY TRIAL. EACH GUARANTOR AND LENDER (BY ACCEPTANCE OF THIS AGREEMENT) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF LENDER RELATING TO THE ADMINISTRATION OF THE LOAN OR ENFORCEMENT OF THE LOAN DOCUMENTS, AND AGREE THAT NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, EACH GUARANTOR HEREBY WAIVES ANY RIGHT HE MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH GUARANTOR CERTIFIES THAT NO REPRESENTATIVE, LENDER OR ATTORNEY OF LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ACCEPT THIS AGREEMENT AND MAKE THE LOAN.

10. Cumulative Remedies. The rights, powers and remedies of Lender hereunder and under any other agreement now or at any time hereafter in force between Lender and Guarantors shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Lender by law. Each and every default in the performance of this Agreement shall give rise to a separate cause of action and separate suits may be brought as each such cause of action arises and matures.

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11. Jurisdiction. etc. Each Guarantor hereby unconditionally and irrevocably (a) subjects itself to the jurisdiction of the courts of the Commonwealth of Pennsylvania and any federal courts sitting in either such State in connection with any action, suit or proceeding under or relating to, or to enforce any of the provisions of, this Agreement, (b) waives, to the extent permitted by law, any right (i) to obtain a change in venue from any such court in any such action, suit or proceeding, and (ii) to trial by jury in any such action, suit or proceeding, and (c) agrees to service of process by certified mail, return receipt requested, postage prepaid to his address set forth in Section 14 of this Agreement. Each Guarantor irrevocably agrees that service of process in accordance with the foregoing sentence shall be deemed in every respect effective and valid personal service of process upon such Guarantor. The provisions of this Section 11 shall not limit or otherwise affect the right of Lender to institute and conduct an action in any other appropriate manner, jurisdiction or court.

12. Advice of Counsel. Each Guarantor hereby confirms actual and full knowledge and acceptance of the terms and provisions of the Loan Documents and this Agreement, as to all of which such Guarantor further acknowledges that such Guarantor has received the advice of counsel. Each Guarantor hereby confirms to Lender that the Loan is and will be of direct interest, benefit and advantage to such Guarantor.

13. Representations. Warranties and Covenants. Each Guarantor represents, warrants and covenants to and with Lender that:

(a) This Agreement has been duly authorized, executed and delivered by such Guarantor, and such execution and delivery will not conflict with or result in a breach of or constitute a default under any instrument to which such Guarantor is a party or by which such Guarantor, or such Guarantor's property, is bound, or violate any applicable provision of law or any judgment, order, writ, injunction, decree, rule or regulation of any court, administrative agency or other governmental agency or authority, and this Agreement constitutes the valid and binding obligation of such Guarantor and is enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws of general application affecting the enforcement of creditors' rights generally.

(b) There is no suit, action, proceeding or investigation pending or, to the actual knowledge of such Guarantor, threatened against or affecting such Guarantor, before or by any court, administrative agency or other governmental authority the result of which would materially adversely affect such Guarantor's ability to perform his obligations under this Guaranty.

(c) The financial statements of such Guarantor heretofore delivered to Lender are true and correct in all material respects and fairly represent the financial condition of such Guarantor as of the date thereof and for the period shown thereon; no material adverse change has thereafter occurred in the financial condition reflected thereon; and the assets shown on the financial statements are wholly owned by such Guarantor as shown, and are not jointly owned with any other person or entity except as otherwise stated in the financial statements.

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(d) Such Guarantor will deliver to Lender or cause Borrower to deliver to Lender, as and when due, the financial statements and copies of tax returns of such Guarantor required by Section 7.1 the Loan Agreement.

(e) Guarantors, collectively, possess a Net Worth of at least Thirteen Million Dollars (\$13,000,000) and Liquid Assets of at least One Million Dollars (\$1,000,000).

(f) Such Guarantor will notify Lender promptly of any material adverse change in such Guarantor's financial condition as shown on the financial statement most recently delivered to Lender such that any covenant contained in Section 7.2 of the Loan Agreement is no longer true and correct.

(g) Such Guarantor agrees that he shall not take any action which would cause a violation of the financial covenants in Section 7.2 of the Loan Agreement.

(h) Except as may be otherwise permitted in the Loan Agreement, such Guarantor will not sell, lease, transfer, pledge, encumber, or otherwise dispose of any substantial part or amount of such Guarantor's assets, real or personal, or any interest therein, without the prior written consent of Lender, unless for reasonably fair value.

(i) Promptly upon becoming aware thereof, such Guarantor shall give Lender notice of (i) the commencement, existence or threat of any proceeding or investigation by or before any governmental authority against or affecting such Guarantor or any of its Affiliates which, if adversely decided, would have a material adverse affect on the business operations, condition (financial or otherwise) or prospects of such Guarantor or on his ability to perform its obligations hereunder or (ii) any material adverse change in the business operations, condition (financial or otherwise) or prospects of such Guarantor.

14. Notices. Unless otherwise expressly provided under this Agreement all notices, requests, demands, directions and other communications (collectively "notices") given to or made upon any party under the provisions of this Agreement (and unless otherwise specified, in each other Loan Document) shall be in writing and shall be delivered by hand, nationally recognized overnight courier or U.S. mail to the respective parties at the following addresses or in accordance with any subsequent unrevoked written direction from any party to the others:

If to Guarantors:

Cedar Income Fund, Ltd.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Attention: Leo S. Ullman

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with a copy to:

Stuart H. Widowski, Esquire

c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050

Cedar Income Fund Partnership, L.P.,
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Attention: Leo S. Ullman

with a copy to:

Stuart H. Widowski, Esquire
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050

If to Lender:

Citizens Bank Of Pennsylvania
2001 Market Street, 6th Floor
Philadelphia, Pennsylvania 19103-7053
Attention: Mr. Robert L. Schopf
Vice President

with a copy to:

Pepper Hamilton LLP
400 Berwyn Park
899 Cassatt Road
Berwyn, Pennsylvania 19312
Attention: David H. Huggler, Esq.

All notices shall, except as otherwise expressly provided in this Agreement, be effective (a) in the case of hand-delivered notice, when hand delivered, (b) if given by U.S. mail, three (3) Business Days after such communication is deposited in the mails with overnight first class postage prepaid, return receipt requested, and (c) if given by any other means (including by air courier), when delivered.

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15. Miscellaneous.

(a) All understandings, representations, and agreements heretofore made or exchanged between Guarantors and Lender with respect to the subject matter hereof are merged into this Agreement, which alone, fully, completely, and integrally, expresses the understanding of Guarantors and Lender concerning the subject matter hereof.

(b) No modification of this Agreement shall be effective unless in writing and signed by an authorized officer of Lender.

(c) This Agreement shall be binding upon each Guarantor, its successors and assigns, and shall inure to the benefit of Lender, its successors and assigns, including, but not limited to, any assignee to which any Lender shall assign any of its interests in the Loan Documents.

(d) For purposes of this Agreement, the neuter gender shall be deemed to include the masculine and feminine genders and the singular shall be deemed to include the plural, as the context may require.

(e) This Agreement shall be construed in accordance with and governed in all respects by the laws of the Commonwealth of Pennsylvania.

(f) This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Guarantors have duly executed this Agreement, under seal, on the date first written above.

CEDAR INCOME FUND, LTD., a Maryland
corporation

Attest: _____
Name: Stuart H. Widowski
Title: Secretary

By: _____
Name: Brenda J. Walker
Title: Vice President

CEDAR INCOME FUND PARTNERSHIP, L.P., a
Delaware limited partnership

By: Cedar Income Fund, Ltd.

By: _____
Name:
Title:

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COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2002, before me a Notary Public in and for the Commonwealth and County aforesaid, personally appeared _____ and _____, who acknowledged themselves to be the _____ and _____, respectively, of CEDAR INCOME FUND, LTD., a Maryland corporation, and that as such officers being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2002, before me a Notary Public in and for the Commonwealth and County aforesaid, personally appeared _____ and _____, who acknowledged themselves to be the _____ and _____, respectively, of Cedar Income Fund, Ltd., a Maryland corporation, sole general partner of CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership, and that as such being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

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ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT ("Agreement") executed on November 14, 2002, to be delivered on November 15, 2002, by CEDAR-CAMP HILL, LLC, a Delaware limited liability company ("Borrower"), with an office in care of CEDAR BAY REALTY ADVISORS, INC., 44 South Bayles Avenue, Suite 304 Port Washington, New York 11050, and CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered savings bank ("Lender"), with an office at 2001 Market Street, 6th Floor, Philadelphia, Pennsylvania 19103-7053.

Background

Borrower and Lender have entered into a certain Loan Agreement dated this date (as the same may be amended, modified or supplemented, from time to time, the "Loan Agreement") pursuant to which Lender has agreed to extend a credit facility to Borrower in the principal amount of Fourteen Million Dollars (\$14,000,000) (the "Loan"), which Loan is evidenced by a certain Promissory Note dated this date (the "Note") executed by Borrower and made payable to the order of Lender in the stated principal amount of the Loan. The Note is secured, inter alia, by an Open-end Mortgage and Security Agreement dated this date (the "Mortgage") given by Borrower to Lender encumbering Borrower's interest in certain land and the buildings and improvements thereon located at 32nd Street (a/k/a U.S. Route 11/15) and Trindle Road in Camp Hill, Cumberland County, Pennsylvania (such land and improvements, collectively, the "Project"), all as more particularly described in Exhibit A attached hereto and made a part hereof.

As a material inducement for Lender to make the Loan, Borrower has agreed to provide to Lender the assurances, agreements and indemnities regarding environmental matters as are hereinafter more specifically set forth.

Agreement

NOW, THEREFORE, in consideration of the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, intending to be legally bound, hereby represents, certifies and agrees as follows:

1. Definitions. Whenever used in this Agreement, the following words and phrases shall have the respective meanings set forth below:

(a) "Affiliate" of a Person (the "Specified Person") shall mean (i) any Person which directly or indirectly controls, or is controlled by, or is under common control with, the Specified Person, (ii) any executive officer (or, in the case of a Person which is not a corporation, any individual having analogous powers) of the Specified Person, and (iii) in the case of a Specified Person who is an individual, any lineal ancestor or lineal descendant of such Specified Person. For purposes of the preceding sentence, "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(b) Clean-Up: Response, Removal or other Remedial Action or any other actions required under any Environmental Law.

(c) Contamination: The uncontained presence of any Hazardous Substances on, about or beneath the Project or arising from the Project which requires Clean-Up or which is in violation of any Environmental Law.

(d) Environmental Laws: All applicable federal, state and local laws, statutes, orders, ordinances, codes, rules, regulations, policies, guidance documents, judgments, decrees, injunctions and requirements of or agreements with any governmental authority (including any governmental action pursuant to or required by any Environmental Law, including but not limited to any permit, license or authorization issued under or in connection with any Environmental Law), now or hereafter enacted or amended, relating to the protection of health and the environment and/or governing the handling, use, generation, treatment, storage, transportation or disposal of Hazardous Substances. Environmental Laws include, but are not limited to: The Clean Air Act, 42 U.S.C. ss. 7401 et seq.; The Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. ss. 9601 et seq. ("CERCLA"); The Federal Water Pollution Control Act, 33 U.S.C. ss. 1251 et seq.; The Hazardous Material Transportation Act, 49 U.S.C. ss. 1801 et seq.; The Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. ss. 136; The Resource Conservation and Recovery Act of 1976, 42 U.S.C. ss. 6901 et seq. (including the Hazardous and Solid Waste Amendments of 1984); The Toxic Substances Control Act, 15 U.S.C. ss. 2601 et seq.; The Federal Occupational Safety & Health Act of 1970, 29 U.S.C. ss. 651 et seq. (including ss. 3101 of the Omnibus Reconciliation Act of 1990); The Oil Pollution Act of 1990, Pub. L. No. 101-380, 104 Stat. 484 (1990); and the state analogues to any of the foregoing; all as amended from time to time and the regulations promulgated pursuant thereto; and any requirements of the common law which may impose obligations or liabilities as a result of the presence of or exposure to Hazardous Substances.

(e) Environmental Permits: Any permits, licenses, registrations,

approvals or authorizations required under any Environmental Law.

(f) Environmental Report: means the Phase I Environmental Report dated September 11, 2002 prepared by Eckland Consultants, Inc.

(g) Hazardous Substances: Any substance which is or becomes regulated under any Environmental Law, including, without limitation, any substance which is (1) gasoline, petroleum products, explosives, radioactive materials, including by-products, source and/or special nuclear material and solid wastes, urea formaldehyde, polychlorinated biphenyls or related or similar materials ("PCBs"), asbestos or material containing asbestos or lead-based paint; or (2) defined, designated or listed as a "Hazardous Substance", "Hazardous Material", "Hazardous Waste" or "Industrial Waste" under any Environmental Law.

(h) Occupant: Any prior owner of the Project, or any portion thereof, or any prior, present or intended tenant, subtenant or other person or entity having possession of the Project or any portion thereof.

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(i) Permitted Substances. Hazardous Substances of the types and in the quantities customarily used in the construction, maintenance or operation of commercial projects similar to the proposed use of the Project, provided that such Hazardous Substances are stored, used and disposed of in accordance with all applicable Environmental Laws.

(j) Proscribed Activities: (1) generating, manufacturing, refining, transporting, treating, storing, handling, disposing, transferring, producing, processing, recycling or in any manner dealing with Hazardous Substances (other than Permitted Substances handled in compliance with applicable Environmental Laws); (2) causing or permitting, as a result of any intentional or unintentional act or omission on the part of Borrower or any Affiliate or Occupant, the installation or placement or the disposal of Hazardous Substances (other than Permitted Substances) in or on the Project or a release of Hazardous Substances (other than Permitted Substances) onto the Project or onto any other property; or (3) suffering the presence of Hazardous Substances other than Permitted Substances on the Project.

(k) Regulatory Action(s): Any notice of violation, citation, complaint, request for information, order, directive, compliance schedule, notice of claim, consent decree, action, litigation or proceeding brought or instituted by any governmental authority under or in connection with any Environmental Law involving the Project, Borrower, any Affiliate or any Occupant with respect to such Occupant's use of the Project.

(l) Response, Removal, Remedial Action: The terms "Response," "Removal" and "Remedial Action" shall be defined with reference to Sections 101(23)-I 01(25) of CERCLA, 42 U.S.C. Sections 9601(23)- 9601(25).

(m) Third Party Claims: Claims by a party other than Borrower or Lender (other than Regulatory Actions) based on negligence, trespass, strict liability, nuisance, toxic tort or detriment to human health or welfare due to Hazardous Substances on, about, beneath or arising from the Project or in any way related to any alleged violation of any Environmental Laws.

Capitalized terms used in this Agreement without definition shall have the same meanings ascribed to those terms in the Loan Agreement.

2. Representations and Warranties. Borrower hereby represents and warrants to Lender that:

(a) To the best of Borrower's knowledge, except as may be specifically disclosed in the Environmental Report, the Project, Borrower, all Affiliates and each Occupant and all of Borrower's and each Occupant's operations and activities at the Project are now and have been in compliance with all Environmental Laws. To the extent necessary for the conduct of its business, Borrower and, to the best of Borrower's knowledge, each Occupant (with respect to such Occupant's operations and activities conducted at the Project) is in possession of, and in compliance with, all Environmental Permits. To the best of Borrower's knowledge all such Environmental Permits are currently in effect; no proceeding is pending or threatened to modify, suspend, revoke, withdraw, or otherwise limit such Environmental Permits; and no Regulatory Action has been taken or, to Borrower's knowledge, threatened in connection with the expiration or renewal of such Environmental Permits. There are no Regulatory Actions or Third Party Claims pending or, to Borrower's knowledge, threatened against Borrower, any Affiliate or any Occupant with respect to the Project or any other real property owned, leased or operated by Borrower or any Affiliate of Borrower, and neither Borrower nor any Affiliate has received any notice of Regulatory Action or a Third Party Claim.

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(b) Except as may be specifically disclosed in the Environmental

Report, (i) neither Borrower nor any Affiliate nor to Borrower's knowledge any Occupant conducts, allows or suffers Proscribed Activities on, about, beneath or arising from the Project, and (ii) to Borrower's knowledge, there are no conditions on, about, near, beneath or arising from the Project which could reasonably be expected to give rise to liability, the imposition of a statutory lien, or require Clean-Up under any Environmental Law.

(c) Neither Borrower nor, to the best of Borrower's knowledge, any Affiliate or any Occupant (with respect to such Occupant's operations and activities conducted at the Project) has received any request for information, claim, demand, or other notification that it is or may be potentially responsible or liable for any Clean-Up at any site, including properties not owned, operated or leased by or to Borrower or any Affiliate or any Occupant. Hazardous Substances generated by Borrower or any Affiliate and, to the best of Borrower's knowledge, any Occupant have never, directly or indirectly, been sent, transferred or transported to, or treated, stored or disposed of at any site listed or formally proposed for listing on the National Priorities List promulgated pursuant to CERCLA or on any state list of sites requiring any CleanUp.

3. Covenants. Borrower hereby covenants with Lender that:

(a) Borrower and its Affiliates shall comply, and shall seek to cause each present and future Occupant (with respect to such Occupant's operations and activities conducted at the Project) to comply, with all Environmental Laws and, to the extent necessary for the conduct of its or their business, shall obtain, maintain, and comply with all Environmental Permits. Borrower, its Affiliates and each Occupant (with respect to such Occupant's operations and activities conducted at the Project) shall comply with all governmental orders, directives, judgments, orders, decrees, awards, administrative consent orders, settlement agreements, or other settlement documents issued by or entered into with any administrative or governmental agency or entity concerning compliance with Environmental Laws and Environmental Permits.

(b) Borrower shall not, and Borrower shall seek to cause any Occupant not to, use or allow the use of the Project for Proscribed Activities. Neither Borrower nor any Occupant shall use or permit the use of the Project in a manner which could reasonably be expected to give rise to liability, the imposition of a statutory lien, or require any Clean-Up. In the event that conditions are discovered on, about, beneath or arising from the Project which may give rise to liability, the imposition of a statutory lien, or require Clean-Up, Borrower shall, and shall cause any Occupant to, promptly take all necessary actions to address such conditions, including Clean-Up.

(c) Borrower shall immediately notify Lender, in writing, of Borrower's receipt, knowledge or discovery of any: (i) Regulatory Action; (ii) request for information, claim, demand, or notification that it or any Affiliate is or may potentially be responsible or liable for any Clean-Up at any site owned, operated or leased by or to Borrower or any Affiliate; (iii) notice of any claim, action, or proceeding of any nature whatsoever, including Third Party Claims, concerning conditions on, about, beneath or arising from the Project or any alleged violation of any Environmental Law; and (iv) other information concerning conditions on, about, beneath or arising from the Project which could reasonably be expected to give rise to liability, the imposition of a statutory lien, or require Clean-Up.

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(d) Lender shall have the right from time to time to designate such persons (the "Environmental Auditors") as Lender may select to inspect any of Borrower's or its Affiliates' properties, documents, products or wastes for the purpose of investigating actual or potential Regulatory Actions or Third Party Claims or any condition which could reasonably be expected to result in any liability, cost or expense to Lender. Any such investigation made after commencement of any Regulatory Action or Third Party Claim or upon the good faith belief of Lender that Contamination has occurred, shall be at Borrower's expense; otherwise any such investigation shall be without expense to Borrower. Such investigation may include, among other things, above and below ground testing for the presence of Hazardous Substances and such other tests as may be necessary or advisable in the opinion of Lender. Borrower shall furnish the Environmental Auditors with such historical and operational information as the Environmental Auditors may request regarding Borrower's or its Affiliates' properties, documents, products and wastes as are within Borrower's or its Affiliates' possession, custody or control, or which are available to it, including without limitation, analytical records and results, correspondence with governmental authorities and environmental audits or reviews.

Upon the Environmental Auditors' request, Borrower, at Borrower's sole cost and expense, shall make available for meetings with the Environmental Auditors, appropriate personnel and consultants employed or retained by Borrower and its Affiliates having knowledge of such environmental matters.

4. Indemnities: Litigation.

(a) As a material inducement to Lender to make the Loan to Borrower, Borrower hereby indemnifies and agrees to defend and hold harmless each Lender, its parent corporation, subsidiaries, successors, assigns, officers, directors, shareholders, employees and agents ("Lender Parties"), from and against any and all claims, actions, causes of action, liabilities, penalties, fines, damages, judgments, losses, suits, expenses, legal or administrative proceedings, interest, costs and expenses [(including the reasonable allocated cost of in-house counsel and staff,] court costs and reasonable outside attorneys', consultants' and experts' fees), arising out of or in any way relating to: (i) the presence of Hazardous Substances on, about, beneath or arising from the Project; (ii) the failure of Borrower or any of its Affiliates or subsidiaries or any Occupant to comply with the Environmental Laws; (iii) Borrower's breach of any of the representations, warranties and covenants contained herein; (iv) Regulatory Actions and Third Party Claims; or (v) the imposition or recording of a lien against the Project in connection with any Contamination at or on the Project, or arising from the Project or pursuant to any Environmental Law; provided, however, that the aforesaid indemnification obligations shall not apply to any liability, loss, cost or expense relating to Hazardous Substances first introduced to the Project or Proscribed Activities or Contamination or failure to comply with the Environmental Laws which first occurs after Lender or its nominee takes title to or physical possession of the Project or any liability, loss, cost or expense resulting solely from Lender's or Lender Parties' gross negligence or willful misconduct. For purposes of the preceding sentence, Borrower shall have the burden of proving whether Hazardous Substances are first introduced or any Proscribed Activities or Contamination or failure to comply with the Environmental Laws which first occurs after Lender or its nominee takes title to or physical possession of the Project. Borrower's indemnity and defense obligations under this section shall include, without limitation and whether foreseeable or unforeseeable, any and all costs related to any indemnified Clean-Up.

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(b) Borrower shall have the right to control any Regulatory Action or Third Party Claim, including an action for which indemnity is required herein, through knowledgeable and experienced counsel of its choice, subject to Lender's consent, which shall not be unreasonably withheld or delayed; provided, however, that at Lender's option, Lender may participate in and contribute to such action and appoint its own counsel at any time, all of which shall be at Borrower's sole cost and expense. If, however, Lender determines that Borrower is not adequately controlling any such action and Borrower does not correct or commence to correct such deficiencies within thirty (30) days after written notice from Lender, Lender shall have the right, utilizing commercially reasonable judgment, to undertake the control, conduct or settlement of such claims through its own counsel at Borrower's sole cost and expense and may settle such matters, with notice to Borrower, but without Borrower's consent, at Borrower's sole cost and expense. In the event any proposed settlement includes non-monetary relief, including Clean-Up, Lender may, acting in good faith, agree to such Clean-Up and settle such matter only with the prior consent of Borrower, which may not be unreasonably withheld or delayed, and provided that if Borrower fails to notify Lender in writing as to whether it shall consent to such non-monetary relief within ten (10) days from Lender's request for Borrower's approval, Borrower shall be deemed to have consented to such non-monetary relief.

5. General. Borrower agrees with Lender that:

(a) The representations, warranties, covenants and indemnities contained herein shall survive repayment of the Loan and satisfaction, release and discharge of the Loan Documents, whether through full payment of the Loan, foreclosure, deed in lieu of foreclosure or otherwise until the expiration of all applicable statutes of limitation and repose.

(b) Lender's rights and remedies against Borrower hereunder shall be in addition to and not in lieu of any other rights and remedies available to Lender under the Loan Documents or at law or in equity, and Lender's rights hereunder shall not be terminated, affected or impaired in any manner by the assertion or failure to assert by Lender of any of the rights and remedies reserved to Lender pursuant to the Loan Documents or otherwise available to Lender at law or in equity.

(c) Lender shall be entitled to rely upon any notice or consent from Borrower. All notices hereunder shall, except as otherwise expressly provided in this Agreement be effective (i) in case of hand delivered notice, when hand delivered, (iii) if given by U.S. Mail, three (3) Business Days after such communication is deposited in the mail with overnight first class postage prepaid, return receipt requested, and (iv) if given by any other means (including by air courier), when delivered. All notices shall be directed to the party to receive the same at its address stated above or at such other address as may be substituted by notice as herein provided.

(d) It shall constitute an Event of Default hereunder if (i) there occurs an Event of Default as defined in the Loan Agreement or in any other Loan Documents, (ii) any representation or warranty contained herein is determined by Lender to be untrue in any material adverse respect when made, or (iii) Borrower

fails to observe and perform each and every one of the terms, covenants, promises and agreements on its part to be observed and performed under this Agreement and such default is not cured within thirty (30) days after written notice of such default is given to Borrower, provided that, if such default is curable but not reasonably capable of cure within such thirty (30) day period, Borrower shall have such further period, not to exceed a period of sixty (60) days in the aggregate, as may be required to cure such default, on the condition that Borrower commences such cure within the original thirty (30) day period and thereafter diligently prosecute such cure to completion. Upon the occurrence of any such Event of Default, Lender shall, subject to any applicable limits of liability set forth in this Agreement, be entitled to exercise all or any of its rights and remedies under the Loan Agreement, Note, Mortgage or this Agreement, or as may otherwise be available to Lender at law or in equity, in such order as Lender may elect.

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(e) Any agreement hereafter made shall be ineffective to amend, modify, discharge or effect an abandonment of this Agreement in whole or in part unless such agreement is in writing and signed by Lender.

(f) This Agreement shall be governed by and construed in accordance with the laws of the state in which the Project are located, and shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns, including, without limitation, any endorsee of the Note and any participants in the Loan.

(g) To the extent there is any conflict between the provisions of this Agreement and any of the Loan Documents, the terms of this Agreement shall control.

IN WITNESS WHEREOF, Borrower has duly executed this Agreement, under seal, on the date first written above.

CEDAR-CAMP HILL, LLC, a Delaware limited liability company, by its sole member, as follows:

Cedar Income Fund Partnership, L.P., a Delaware limited partnership, by its sole general partner, as follows:

CEDAR INCOME FUND, LTD., a Maryland Corporation

Attest:

Name: Stuart H. Widowski
Title: Secretary

By: -----
Name: Brenda J. Walker
Title: Secretary

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COMMONWEALTH OF PENNSYLVANIA)

) SS

COUNTY OF)

On this, the ___ day of _____, 2002, before me a Notary Public in and for the Commonwealth and County aforesaid, personally appeared _____, who acknowledged himself to be the _____ of Cedar Income Fund, Ltd., a Maryland corporation, sole general partner of Cedar Income Fund Partnership, L.P., a Delaware limited partnership, the sole member of Cedar-Camp Hill, LLC, a Delaware limited liability company, and that as such partner being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

EXHIBIT A

Legal Description

GENERAL COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

THIS GENERAL COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement") executed on November 14, 2002, to be delivered on November 15, 2002, by and between CEDAR-CAMP HILL, LLC, a Delaware limited liability company ("Debtor"), with an office in care of CEDAR BAY REALTY ADVISORS, INC., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, and CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered savings bank ("Lender"), with an office at 2001 Market Street, 6th Floor, Philadelphia, Pennsylvania 19103-7053.

Background

Debtor and Lender have entered into a certain Loan Agreement dated this date (as the same may be amended, modified or supplemented, from time to time, the "Loan Agreement") pursuant to which Lender has agreed to extend a credit facility to Debtor in the principal amount of Fourteen Million Dollars (\$14,000,000) (the "Loan"), which Loan is evidenced by a certain Promissory Note dated this date (the "Note") executed by Debtor and made payable to the order of Lender in the stated principal amount of the Loan. The Note is secured, *inter alia*, by an Open-end Mortgage and Security Agreement dated this date (the "Mortgage") given by Debtor to Lender encumbering Debtor's interests in certain land and the buildings and improvements located at 32nd Street (a/k/a U.S. Route 11/15) and Trindle Road in Camp Hill, Cumberland County, Pennsylvania, as more particularly described in the Mortgage (such land and improvements, collectively, the "Project").

Lender is willing to make the Loan to Debtor pursuant to the Loan Agreement on certain conditions. One such condition is that payment shall be secured by, in addition to the Mortgage and other things, a security interest in favor of Lender in the Collateral. In order to induce Lender to make the Loan to Debtor, and to secure the obligations of Debtor to Lender under the Loan Agreement and otherwise, Debtor is willing to grant to Lender a security interest in such Collateral.

Agreement

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure repayment of the Loan with interest and all other sums due or to become due under the Loan Documents, Debtor and Lender, intending to be legally bound, hereby agree as follows:

1. Definitions. As used in this Agreement, the following terms have the following meanings (terms defined in the singular to have a correlative meaning when used in the plural), unless the context hereof otherwise clearly requires:

"Account" shall be used herein as defined in the Uniform Commercial Code, but in any event shall include, but not be limited to, all fees, charges, accounts and other payments for the lease, use or occupancy of the retail center comprising a portion of the Project, and any other right to payment for goods or

other property sold or leased or for services rendered which is not evidenced by an instrument or chattel paper, whether or not it has been earned by performance including all rights to payment of rents under a lease and payment under a charter or other contract and all rights incident to such lease, charter or contract.

"Chattel Paper" shall be used herein as defined in the Uniform Commercial Code, but in any event shall include, but not be limited to, a writing or writings which evidence both a monetary obligation and a security interest in or a lease of specific goods.

"Collateral" shall have the meaning ascribed to such term in Section 2 below.

"Document of Title" shall be used herein as defined in the Uniform Commercial Code, but in any event shall include, but not be limited to, a bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, and also any other document which in the regular course of business or financing is treated as adequately evidencing that the Person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers.

"Equipment" shall be used herein as defined in the Uniform Commercial Code but in any event shall include, but not be limited to, tangible personal property held by Debtor for use primarily in business and shall include equipment, machinery, furniture, vehicles, fixtures, furnishings, dyes, tools, and all accessories and parts now or hereafter affixed thereto as well as all replacements, substitutes, accessories, additions and improvements to any of the foregoing.

"Event of Default" under this Agreement shall include the following:

(i) any occurrence of an Event of Default as defined in the Loan Agreement, or in any other Loan Document;

(ii) any representation or warranty made by Debtor in this Agreement shall be false or misleading in any material adverse respect when made; or

(iii) Debtor shall have failed to observe and perform any of the terms, covenants, promises and agreements on its part to be observed and performed under this Agreement and such Default shall not have been cured within thirty (30) days after written notice of such default shall have been given to Debtor; provided that, if such Default is curable but not reasonably capable of cure within such thirty (30) day period, Debtor shall have such further period, not to exceed a period of sixty (60) days in the aggregate, as may be required to cure such Default, on the condition that Debtor commences such cure within the original thirty (30) day period and thereafter diligently prosecutes such cure to completion;

"General Intangibles" shall be used herein as defined in the Uniform Commercial Code but in any event shall include, but not be limited to, all personal property of every kind and description, contract rights (including any rights under any construction or operating contracts entered into in connection with the Project), choses in action, investment property and all rights therein and thereto, books, records, customer lists, tax, insurance and other kinds of refunds, patents, trademarks, copyrights, trade names, plans (including any

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plans to be used in connection with the Project), licenses, permits (including any permits issued in connection with the Project) and other rights in personal property.

"Instruments" shall be used herein as defined in the Uniform Commercial Code, but in any event shall include, but not be limited to, a negotiable instrument or a security or any other writing which evidences a right to the payment of money and is not itself a security agreement or lease and is of a type which is, in the ordinary course of business, transferred by delivery with any necessary endorsement or assignment.

"Inventory" shall be used herein as defined in the Uniform Commercial Code but in any event shall include, but not be limited to, tangible personal property held by Debtor (or in which Debtor has an interest in mass or a joint or other interest) for sale or lease or to be furnished under contracts of service, tangible personal property which Debtor has so leased or furnished, and raw materials, work in process and materials used, produced or consumed in Debtor's business, and shall include tangible personal property returned to Debtor by the purchaser following a sale thereof by Debtor and tangible personal property represented by documents of title. All equipment, accessories and parts at any time attached or added to items of Inventory or used in connection therewith shall be deemed to be part of the Inventory.

"Obligations" shall be used herein as defined in the Loan Agreement.

"Proceeds" shall be used herein as defined in the Uniform Commercial Code but, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance (whether or not Lender is named as the loss payee thereof), indemnity, warranty or guaranty payable to Debtor or Lender from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting under color of Governmental Authority), (iii) any and all amounts received when Collateral is sold, exchanged, collected or disposed of, and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Uniform Commercial Code" shall mean the Uniform Commercial Code in effect on the date hereof and as amended from time to time, and as enacted in the Commonwealth of Pennsylvania or in any state or states which, pursuant to the Uniform Commercial Code as enacted in the Commonwealth of Pennsylvania, has jurisdiction with respect to all, or any portion of, the Collateral or this Security Agreement, from time to time.

Capitalized terms used in this Agreement without definition shall have the same meanings ascribed to those terms in the Loan Agreement.

2. Grant of Security Interest. As security for the payment and performance of the Obligations, Debtor hereby pledges, assigns, hypothecates,

delivers and assigns to Lender, and creates in favor of Lender a security interest in and to, all right, title and interest of Debtor in and to all personal property and fixtures of Debtor including, without limitation all right, title and interest of Debtor in and to the following property, in each case whether now existing or hereafter acquired, created or arising (collectively, the "Collateral"):

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- (a) All Equipment in all of its forms, wherever located;
- (b) All Inventory in all of its forms, wherever located;
- (c) All Accounts, in all of their forms, wherever located;

(d) All General Intangibles in all their forms, wherever located, including (i) all permits, licenses, franchises and other governmental authorizations, to the extent lawfully assignable, including but not limited to, allocations of sewer or other utility capacity now or hereafter issued in connection with the design, construction, renovation, development, occupation and/or operation of the Project (collectively, the "Permits") and (ii) any and all contracts and agreements, whether now in existence or hereafter entered into, (A) with contractors, architects, engineers and other design professionals (including all rights of Debtor to all plans and specifications prepared with respect to the Project), developers, management companies, leasing agents, and other suppliers of services or materials relating directly or indirectly to the development, construction, operation or management of the Project, (B) providing for payments to be made to Debtor by any person or entity in connection with the Project (including, without limitation, all warranties, guaranties and indemnities now or hereafter made by any person or entity relating to the Project), (C) with any governmental authority relating to the development of the Project or off-site improvements related thereto, or (D) granting or creating any easements or licenses benefiting the Project (collectively, the "Agreements");

(e) All fixtures in all their forms, wherever located;

(f) All Documents of Title, Chattel Paper, Instruments, balances in any bank deposits of Debtor and securities held in brokerage accounts of Debtor; and

(g) All Proceeds of any and all of the foregoing.

3. Representations and Warranties. Debtor represents and warrants as follows:

(a) Status. Debtor is a limited liability company duly organized, validly existing and subsisting under the laws of the State of Delaware. Debtor has all necessary power and authority to own its property and assets and to transact the business in which it is engaged or presently proposes to engage. Debtor has qualified to do business in each state or jurisdiction where its business or operations so require.

(b) Authority to Execute Agreement, Binding Agreement. Debtor has the power to execute, deliver and perform its obligations under this Agreement and each Loan Document to which it is, or is to be, a party (including, without limitation, the right and power to give Lender a security interest in the Collateral) and has taken all necessary action to authorize the execution, delivery and performance of this Agreement and each Loan Document to which it is, or is to be, a party. This Agreement has been duly executed by Debtor. This Agreement constitutes the legal, valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms except as such

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enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to or affecting the rights and remedies of creditors.

(c) Debtor's Title. Except for the security interests granted hereunder or otherwise to Lender and except as may be otherwise specifically permitted under any other Loan Document, Debtor is, as to all Collateral presently owned, and shall be as to all Collateral hereafter acquired, the owner of said Collateral free from any lien, security interest, or other encumbrance. No Uniform Commercial Code financing statements naming Debtor as debtor are on file in any jurisdictions except those filed in favor of Lender as secured party pursuant to this Agreement. Debtor has not executed any prior assignment of any

of its rights under any of the Collateral or granted any other security interest therein except in favor of Lender.

(d) Taxes and Assessments. All assessments and taxes due and payable by, or imposed, levied or assessed against, Debtor or any of its property, real or personal, tangible or intangible have been paid prior to becoming delinquent, subject to applicable extensions.

(e) Location of Collateral. The Collateral is located at the locations specified on Schedule A hereto. Debtor has a valid fee simple estate in the real property where such Collateral is located, and except for the Mortgage and other liens granted to Lender there exists no mortgages or other liens on any such real property except as permitted under the Loan Agreement.

(f) Location of Debtor. The location of the primary office of Debtor and the location of the office where Debtor keeps its books and records concerning the Accounts is specified on Schedule B attached hereto. If Debtor has a place or places of business in only one county in the State of Delaware or, if it otherwise resides in Delaware, then the county of such business or residence is set forth on Schedule B attached hereto. Also listed on Schedule B is each other location where Debtor maintains a place of business or resides.

(g) Instruments. All Instruments representing any Collateral, together with all necessary endorsements, have been delivered to Lender.

(h) Names Used by Debtor. (i) Debtor has no trade names, (ii) Debtor has not used any name other than that stated in the preamble and (iii) no entity has merged into Debtor or been acquired by Debtor.

(i) Perfected Security Interest. This Agreement creates a valid security interest in the Collateral securing payment of the Obligations, subject only to prior security interests granted in favor of Lender and to the possible limits on the assignability of Permits referred to in Section 2(d). Upon filing of the Uniform Commercial Code financing statements in the offices set forth on Schedule C hereto, all security interests which may be perfected by filing shall have been duly perfected. Except for the filing of the Uniform Commercial Code financing statements referred to in the preceding sentence and the delivery of the Instruments referred to in paragraph (g) above, no action is necessary to create, perfect or protect such security interest. Without limiting the generality of the foregoing, except for the filing of said financing statements, no consent of any third parties and no authorization, approval or other

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action by, and no notice to of filing with any Governmental Authority or regulatory body is required for (i) the execution, delivery and performance of this Agreement, (ii) the creation or perfection of the security interest in the Collateral or (iii) the enforcement of Lender's rights hereunder.

(j) Absence of Conflicts with Other Agreements. Neither the pledge of the Collateral hereunder nor any of the provisions hereof (including, without limitation, the remedies provided hereunder) violates any of the provisions of any organizational documents or partnership agreements of Debtor, or any other agreement to which Debtor or any of its property is a party or is subject, or any judgment, decree, order or award of any court, Governmental Authority or arbitrator or any applicable law, rule or regulation applicable to the same.

4. Covenants. Debtor covenants that:

(a) Filing of Financing Statements and Preservation of Interests. Immediately upon execution hereof, Debtor hereby authorizes Lender to cause to be duly filed in each office set forth on Schedule C hereto Uniform Commercial Code financing statements, in form and substance satisfactory to Lender. Without limiting the obligation of Debtor set forth in the preceding sentence, Debtor hereby authorizes Lender, and appoints Lender as its attorney-in-fact, to file in such office or offices as Lender deems necessary or desirable such financing and continuation statements and amendments and supplements thereto, and such other documents as Lender may require to perfect, preserve and protect the security interests granted herein. At any time and from time to time that any Collateral consists of Instruments or other items that require possession by the secured party to perfect the security interest created hereby, Debtor shall deliver such Collateral to Lender. Debtor shall cause all Chattel Paper constituting Collateral to be delivered to Lender, or, if such delivery is not possible, then to cause such Chattel Paper to contain a legend noting that it is subject to the security interest created by this Agreement.

(b) Notice of Changes in Representations. Debtor shall notify Lender in advance of any event or condition which could cause any representation set forth in Section 3 above to fail to be true, correct and complete in any material adverse respect.

(c) Use and Condition of Equipment. Each item of Equipment will be maintained in good operating condition, ordinary wear and tear and damage by insured casualty excepted, and Debtor will provide all maintenance service and repairs necessary for such purpose. Lender may examine and inspect the Collateral at any reasonable time or times wherever located, subject to rights of Tenants, under leases permitted under the Loan Agreement.

(d) Insurance. Debtor shall maintain with financially sound and reputable insurers, insurance with respect to the Collateral against loss or damage of the kinds and in the amounts customarily insured against by entities of established reputation having similar properties similarly situated and in such amounts as are customarily carried under similar circumstances by other such Persons and otherwise as is prudent for Persons engaged in similar businesses but in any event sufficient to cover the full replacement cost thereof consistent with the requirements of the Mortgage. Debtor shall cause each insurance policy issued in connection herewith to provide, and the insurer issuing such policy to certify to Lender that (i) Lender will be named as lender loss payee under each such insurance policy; (ii) if such insurance be

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proposed to be cancelled or materially changed for any reason whatsoever, such insurer will promptly notify Lender and such cancellation or change shall not be effective as to Lender for at least thirty (30) days after receipt by Lender of such notice, unless the effect of such change is to extend or increase coverage under the policy; and (iii) Lender will have the right (but no obligation) at its election to remedy any default in the payment of premiums within thirty (30) days of notice from the insurer of such default. Loss payments in each instance will be paid to Lender and made available to Debtor to the extent provided in the Mortgage, and if any such payments are paid to Debtor rather than to Lender, such payments shall be held in trust for and immediately paid over to Lender unless otherwise provided in the Mortgage or otherwise directed in writing by Lender. Copies of such policies or the related certificates, in each case, naming Lender as lender loss payee shall be delivered to Lender annually at the time of the delivery of the financial statements referred to in the Loan Agreement and at the time any new policy of insurance is issued.

(e) Transfer of Collateral. Other than the disposition of items of Collateral in the ordinary course of Debtor's business as presently conducted or as otherwise permitted under the terms of the Loan Agreement, Debtor shall not sell, assign, transfer, encumber or otherwise dispose of any Collateral without the prior written consent of Lender. For purposes of this provision, "dispose of Collateral" shall include, without limitation, the creation of a security interest or other encumbrance (whether voluntary or involuntary) on such Collateral.

(f) Taxes and Assessments. Debtor shall, subject to any contest rights specifically set forth in any other Loan Document, promptly pay when due and payable prior to delinquency, subject to applicable extensions all taxes and assessments imposed upon the Collateral or operations or business of Debtor.

(g) Inventory. Debtor shall not return any Inventory to the supplier thereof, except for damaged or unsalable Inventory or otherwise in the ordinary course of Debtor's business. Without limiting the generality of the foregoing, in the event Debtor becomes a "debtor in possession" as defined in 11 U.S.C. ss.1101 (or any successor thereto), Debtor agrees not to move pursuant to 11 U.S.C. ss.546 (or any successor thereto) for permission to return goods to any creditor which shipped such goods to Debtor without Lender's written consent and Debtor hereby waives any rights to return such Inventory arising under Section 546(h) of the Bankruptcy Code, 11 U.S.C. ss.546(h), or any successor section thereto.

(h) Defense of Lender's Rights. Debtor warrants and will defend Lender's right, title and security interest in and to the Collateral against the claims of any Persons.

(i) Permits and Agreements: Collateral. Debtor hereby covenants that Debtor will not, without the prior written consent of Lender: (A) cancel or terminate any of the Permits or Agreements or accept a surrender thereof, (B) materially modify, amend or otherwise change any of the Permits or Agreements, either orally or in writing, (C) except as may be specifically permitted by the other Loan Documents, assign, pledge or hypothecate any portion of the Collateral, grant a security interest therein, or otherwise sell, convey or transfer any portion thereof to any person or entity other than Lender; or

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(D) enter into any material agreement after the date hereof which could be binding upon Lender if it assumed control of the Project pursuant to the enforcement of remedies following an Event of Default unless terminable by Lender without penalty and on not more than thirty (30) days notice. Debtor will provide Lender with copies of all Permits and Agreements within ten (10) days of their execution or receipt, as applicable, by Debtor. Debtor agrees that it will perform all of its obligations under the Collateral, enforce (short of termination) the performance by any other parties thereto of all of their respective obligations thereunder and appear in and defend any action or proceeding arising out of or in connection with any of the Collateral. Debtor further agrees to send to Lender duplicate copies of all notices of default or termination sent or received by Debtor under or with respect to any of the Collateral.

(j) Other Assurances. Debtor agrees that from time to time, at the expense of Debtor, it will promptly execute and deliver all such further instruments and documents, and take all such further action as may be necessary or desirable, or as Lender may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder and with respect to any Collateral or to otherwise carry out the purposes of this Agreement.

5. Remedies Upon Default. Upon the occurrence and during the continuation of an Event of Default, Lender may exercise, in addition to any other rights and remedies provided herein, under other contracts and under law, all the rights and remedies of a secured party under the Uniform Commercial Code. Without limiting the generality of the foregoing, upon the occurrence and during the continuation of an Event of Default, (a) at the request of Lender, Debtor shall, at its cost and expense, assemble the Collateral as directed by Lender; (b) Lender shall have the right to notify any account debtors and any obligors under instruments to make payments directly to Lender; (c) Lender may, without notice except as provided below, sell the Collateral at public or private sale, on such terms as Lender, in its sole discretion, deems to be commercially reasonable. Debtor agrees that fifteen (15) days' notice of any such sale shall constitute sufficient notice. Lender may purchase collateral at any such sale. Debtor shall be liable to Lender for any deficiency amount.

6. Obligations Absolute.

(a) CHANGE OF CIRCUMSTANCE. THE RIGHTS OF LENDER HEREUNDER AND THE OBLIGATIONS OF DEBTOR HEREUNDER SHALL BE ABSOLUTE AND UNCONDITIONAL, SHALL NOT BE SUBJECT TO ANY COUNTERCLAIM, SETOFF, RECOUPMENT OR DEFENSE BASED UPON ANY CLAIM THAT DEBTOR OR ANY OTHER PERSON MAY HAVE AGAINST EACH OTHER AND SHALL REMAIN IN FULL FORCE AND EFFECT WITHOUT REGARD TO AND, EXCEPT BY FULL AND INDEFEASIBLE PAYMENT OF THE LOAN (INCLUDING, WITHOUT LIMITATION, ALL PRINCIPAL, INTEREST, FEES AND COLLECTION COSTS), SHALL NOT BE RELEASED, DISCHARGED OR IN ANY WAY AFFECTED BY ANY CIRCUMSTANCE OR CONDITION (WHETHER OR NOT DEBTOR SHALL HAVE ANY NOTICE OR KNOWLEDGE THEREOF) INCLUDING, WITHOUT LIMITATION, (I) ANY AMENDMENT OR MODIFICATION OF OR SUPPLEMENT TO THE LOAN AGREEMENT, THE NOTE OR ANY OTHER LOAN DOCUMENT (INCLUDING, WITHOUT LIMITATION, INCREASING THE AMOUNT OR

EXTENDING THE MATURITY OF THE OBLIGATIONS); (II) ANY WAIVER, CONSENT, EXTENSION, INDULGENCE OR OTHER ACTION OR INACTION UNDER OR IN RESPECT OF ANY SUCH AGREEMENTS OR INSTRUMENTS, OR ANY EXERCISE OR NONEXERCISE OF ANY RIGHT, REMEDY, POWER OR PRIVILEGE UNDER OR IN RESPECT OF ANY SUCH AGREEMENTS OR INSTRUMENTS, OR ANY EXERCISE OR NONEXERCISE OF ANY RIGHT, REMEDY, POWER OR PRIVILEGE UNDER OR IN RESPECT OF ANY SUCH AGREEMENTS OR INSTRUMENTS, (III) ANY INVALIDITY OR UNENFORCEABILITY, IN WHOLE OR IN PART, OF ANY TERM HEREOF OR OF THE LOAN AGREEMENT, THE NOTE OR ANY OTHER LOAN DOCUMENT; (IV) ANY FAILURE ON THE PART OF DEBTOR OR ANY OTHER PERSON FOR ANY REASON TO PERFORM OR COMPLY WITH ANY TERM OF THE LOAN AGREEMENT, THE NOTE OR ANY OTHER LOAN DOCUMENT; (V) ANY FURNISHING OR ACCEPTANCE OF ANY ADDITIONAL SECURITY OR GUARANTY; (VI) ANY RELEASE OF THE DEBTOR OR ANY OTHER PERSON OR ANY RELEASE OF ANY OR ALL SECURITY OR ANY OR ALL GUARANTEES FOR THE OBLIGATIONS, WHETHER ANY SUCH RELEASE IS GRANTED IN CONNECTION WITH A BANKRUPTCY OR OTHERWISE; (VII) ANY BANKRUPTCY, INSOLVENCY, REORGANIZATION, ARRANGEMENT, READJUSTMENT, COMPOSITION, LIQUIDATION OR SIMILAR PROCEEDING WITH RESPECT TO DEBTOR OR ANY OTHER PERSON OR THEIR RESPECTIVE PROPERTIES OR CREDITORS; (VIII) THE APPLICATION OF PAYMENTS RECEIVED BY LENDER FROM ANY SOURCE WHICH WERE LAWFULLY USED FOR SOME OTHER PURPOSE BUT WHICH LAWFULLY COULD HAVE BEEN APPLIED TO THE PAYMENT, IN FULL OR IN PART, OF THE OBLIGATIONS; OR (IX) ANY OTHER OCCURRENCE WHATSOEVER, WHETHER SIMILAR OR DISSIMILAR TO THE FOREGOING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AT ANY TIME THAT THE LOAN AGREEMENT IS AMENDED TO INCREASE THE AMOUNT OF THE OBLIGATIONS THEREUNDER, THE AMOUNT OF THE OBLIGATIONS SECURED HEREBY SHALL BE

ACCORDINGLY INCREASED.

(b) No Duty To Marshal Assets. Lender shall not have any obligation to marshal any assets in favor of Debtor or any other Person or against or in payment of any or all of the Obligations.

(c) Waivers. Debtor hereby waives promptness, diligence and notice of acceptance of this Agreement. In connection with any sale or other disposition of Collateral, Debtor waives any right of redemption or equity of redemption in the Collateral. Debtor further waives presentment and demand for payment of any of the Obligations, protest and notice of protest, dishonor and notice of dishonor or notice of default or any other notice with respect to any of the Obligations, and all other notices to which Debtor might otherwise be entitled, except as otherwise expressly provided in this Agreement, the Loan Agreement or any other Loan Document. Debtor (to the extent that it may lawfully do so) covenants that it shall not at any time insist upon or plead, or in any manner claim or take the benefit of, any stay, valuation, appraisal or redemption now or at any time hereafter in force that, but for this waiver, might be applicable to any sale made under any judgment, order or decree based on this Agreement; and Debtor (to the extent that it may lawfully do so) hereby expressly waives and relinquishes all benefit of any and all such laws and

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hereby covenants that it will not hinder, delay or impede the execution of any power in this Agreement delegated to Lender, but that it will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

(d) Debtor further waives, to the fullest extent permitted by law, any right it may have under the constitution of the Commonwealth of Pennsylvania (or under the constitution of any other state in which any of the Collateral may be located), or under the Constitution of the United States of America, to notice (except for notice specifically required hereby, the Loan Agreement or any other Loan Document) or to a judicial hearing prior to the exercise of any right or remedy provided by this Agreement to Lender, and waives its rights, if any, to set aside or invalidate any sale duly consummated in accordance with the foregoing provisions hereof on the grounds (if such be the case) that the sale was consummated without a prior judicial hearing.

(e) DEBTOR'S WAIVERS UNDER THIS SECTION 6 HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY AND AFTER DEBTOR HAS BEEN APPRISED AND COUNSELED BY ITS ATTORNEY AS TO THE NATURE THEREOF AND ITS POSSIBLE ALTERNATIVE RIGHTS.

7. Non-Waiver and Non-Exclusive Remedies.

(a) Non-Exclusive Remedies. Any Event of Default under this Agreement shall constitute an Event of Default under each of the Loan Documents, and, in any such event, Lender shall be entitled to exercise all or any of its rights and remedies under the Loan Agreement, Note, Mortgage or this Agreement, or as may otherwise be available to Lender at law or in equity, in such order as Lender may elect; no remedy or right herein conferred upon, or reserved to Lender is intended to be to the exclusion of any other remedy or right, but each and every such remedy or right shall be cumulative and shall be in addition to every other remedy or right given hereunder or under any other contract or under law.

(b) Delay and Non-Waiver. No delay or omission by Lender to exercise any remedy or right hereunder shall impair any such remedy or right or shall be construed to be a waiver of any Event of Default, or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or of a different nature.

8. Standard of Care.

(a) In General. No act or omission of Lender (or any agent or employee of Lender) shall give rise to any defense, counterclaim or offset in favor of Debtor or any claim or action against Lender (or any agent or employee of Lender), in the absence of gross negligence or willful misconduct of Lender. Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which Lender accords to its own property, it being understood that it has no duty to take any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral or to preserve any rights of any parties and shall only be liable for losses which are a result of its gross negligence or willful misconduct. However, Lender may, at its sole option, and without releasing Debtor from any obligation hereunder or under the Collateral, discharge any obligation which

Debtor fails to discharge, including, without limitation, defending any legal action, and Debtor agrees to pay upon demand all sums expended by Lender in connection therewith, including counsel fees and court costs, together with interest thereon at the Default Rate, and the same shall be added to the indebtedness evidenced by the Note and secured by the Mortgage and this Agreement. Neither the acceptance of this Agreement nor the collection of any sums due or becoming due under the Collateral assigned hereby shall constitute a waiver of any rights of Lender under the Loan Documents or any other collateral now or hereafter mortgaged, pledged or assigned as collateral for the Note and the performance of Debtor's obligations thereunder and under the remainder of the Loan Documents. Debtor agrees that the procedures required by Lender hereunder are for the benefit of Lender, its successors and assigns, only and not for the benefit of Debtor, or any other party.

(b) Reliance on Advice of Counsel. In taking any action under this Agreement, Lender shall be entitled to rely upon the advice of counsel of Lender's choice and shall be fully protected in acting on such advice whether or not the advice rendered is ultimately determined to have been accurate.

9. Specific Performance. Debtor hereby authorizes Lender to demand specific performance of this Agreement at any time when Debtor shall have failed to comply with any provision hereof, and Debtor hereby irrevocably waives any defense based on the adequacy of a remedy at law which might be asserted as a bar to the remedy of specific performance hereof in any action brought therefor.

10. Relationship with Loan Agreement. If any of the terms hereof are inconsistent with those of the Loan Agreement, those of the Loan Agreement shall control.

11. Jurisdiction; Waiver of Jury Trial.

(a) Jurisdiction. For the purpose of any action that may be brought in connection with this Agreement, Debtor hereby consents to the jurisdiction and venue of the courts of the Commonwealth of Pennsylvania or of any federal court located in such Commonwealth and waives personal service of any and all process upon it and consents that all such service of process be made by certified or registered mail directed to Debtor at the address provided for in this Agreement and service so made shall be deemed to be completed on actual receipt. Debtor waives the right to contest the jurisdiction and venue of the courts located in the Commonwealth of Pennsylvania on the ground of inconvenience or otherwise.

(b) WAIVER OF JURY TRIAL. NEITHER LENDER NOR DEBTOR NOR ANY OTHER PERSON LIABLE FOR THE INDEBTEDNESS TO LENDER, NOR ANY ASSIGNEE, SUCCESSOR, HEIR OR PERSONAL REPRESENTATIVE OF ANY SUCH PERSON SHALL SEEK A JURY TRIAL IN ANY PROCEEDING BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE NOTE, ANY OTHER DOCUMENT EXECUTED IN CONNECTION HERewith, ANY COLLATERAL FOR THE PAYMENT HEREOF OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG SUCH PERSONS, OR ANY OF THEM. NO SUCH PERSON WILL SEEK TO CONSOLIDATE ANY SUCH ACTION INTO ONE IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, EACH

PARTY HERETO WAIVES ANY RIGHTS IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THIS SECTION, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (ii) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND EACH OTHER DOCUMENT EXECUTED IN CONNECTION HERewith, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS HEREIN. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCLOSED BY AND TO THE PARTIES HERETO AND THE PROVISIONS HEREOF SHALL BE SUBJECT TO NO EXCEPTIONS. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

12. Miscellaneous.

(a) Assignment. Lender may assign or transfer all or any portion of its interests in this Agreement and any or all rights or obligations hereunder without the consent of Debtor and without prior notice. Debtor shall not assign or transfer this Agreement or any rights or obligations hereunder without the

prior written consent of Lender.

(b) Benefit. The rights and privileges of Lender under this Agreement shall inure to the benefit of its successors, assigns and participants. All promises, covenants and agreements of Debtor contained in this Agreement shall be binding upon any successors and assigns of Debtor.

(c) Notices. Any notice contemplated herein or required or permitted to be given hereunder shall be made in the manner set forth in the Loan Agreement.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(e) Severability. If any of the provisions or terms of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any of the other terms hereof, but this Agreement shall be construed as if such invalid or unenforceable term had never been contained herein. Any such invalidity or unenforceability in a particular jurisdiction shall not be deemed to render a provision invalid or unenforceable in any other jurisdiction.

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which, when taken together, shall constitute one instrument.

(g) Costs and Expenses. Whether or not the transactions contemplated by this Agreement are fully consummated, Debtor shall promptly pay (or reimburse, as Lender may elect) all reasonable out-of-pocket and all

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extraordinary costs and expenses which Lender has incurred or may incur in connection with the negotiation, preparation, administration and enforcement of this Agreement and all amendments, waivers, modifications and supplements hereto, the perfection and protection of the Collateral, and the collection of all amounts due hereunder.

(h) Indemnification. Debtor shall indemnify, reimburse and hold harmless all Indemnitees from and against any and all losses, claims, liabilities, damages, penalties, suits, costs and expenses, of any kind or nature, (including fees relating to the cost of investigating and defending any of the foregoing) imposed on, incurred by or asserted against such Indemnitees in any way related to or arising from or alleged to arise from this Agreement or the use or possession of the Collateral or any part thereof unless resulting from the gross negligence or willful misconduct of any of the Indemnitees. The obligations under this section shall survive termination of this Agreement.

(i) Notice to Other Parties. Debtor hereby authorizes Lender to give written notice of this Agreement at any time after and during the occurrence of any Event of Default to any other party to any of the Collateral, and all such other parties are authorized and directed to, as applicable, perform services and/or pay any sums due under such Collateral directly to Lender upon receipt from Lender of a statement that an Event of Default hereunder or under the Loan Agreement, Note or Mortgage has occurred, accompanied by a demand for such performance and/or payment, without any further proof of Debtor's default. Debtor agrees that any party making such payments to Lender in reliance on such notice and demand from Lender shall be fully protected, and Debtor will make no claim on such party to the extent of such payments.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in the name and on behalf of the parties hereto as of the date first above written.

DEBTOR:

CEDAR-CAMP HILL, LLC, a Delaware
limited liability company, by its sole

member, as follows:

Cedar Income Fund Partnership, L.P., a Delaware limited partnership, by its sole general partner, as follows:

Cedar Income Fund, Ltd., a Maryland Corporation

Attest: _____
Name: Stuart H. Widowski
Title: Secretary

By: _____
Name: Brenda J. Walker
Title: Vice President

LENDER:

CITIZENS BANK OF PENNSYLVANIA

By: _____
Robert L. Schopf
Vice President

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Schedule A

Location of Collateral

32nd Street (a/k/a U.S. Route 11/15) and Trindle Road
Camp Hill, Cumberland County, Pennsylvania

Schedule B

Location of Debtor

CEDAR-CAMP HILL, LLC
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050

Schedule C

Locations of Financing Statement Filing Offices

1. Pennsylvania Secretary of State's Office
2. Cumberland County Records Office
3. Delaware Secretary of State's Office

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") executed on November 14, 2002, to be delivered on November 15, 2002, by CEDAR-CAMP HILL, LLC, a Delaware limited liability company ("Assignor"), with an office in care of CEDAR BAY REALTY ADVISORS, INC., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, and CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered savings bank ("Assignee"), with an office at 2001 Market Street, 6th Floor, Philadelphia, Pennsylvania 19103-7053.

Background

Assignor and Assignee have entered into a certain Loan Agreement dated this date (as the same may be amended, modified or supplemented, from time to time, the "Loan Agreement") pursuant to which Assignee has agreed to extend a credit facility to Assignor in the principal amount of Fourteen Million Dollars (\$14,000,000) (the "Loan"), which is evidenced by a certain Promissory Note dated this date (the "Note") executed by Assignor and made payable to the order of Assignee in the stated principal amount of the Loan. The Note is secured, inter alia, by an Open-end Mortgage and Security Agreement dated this date (the "Mortgage") given by Assignor to Assignee encumbering Assignor's interest in certain land and the buildings and improvements thereon located at 32nd Street (a/k/a U.S. Route 11/15) and Trindle Road in Camp Hill, Cumberland County, Pennsylvania (such land and improvements, collectively, the "Project"), all as more particularly described in Exhibit A attached hereto and made a part hereof.

Assignee is willing to make the Loan to Assignor pursuant to the Loan Agreement on certain conditions. One such condition is that payment shall be secured by, in addition to the Mortgage and other things, an assignment of Assignor's interest in the Leases and Rents more particularly described below.

Assignor has agreed to assign to Assignee, on the terms and subject to the conditions hereinafter set forth, all of Assignor's rights under all leases in which Assignor is the landlord now or hereafter affecting the Project or any portion thereof, together with all extensions, renewals and modifications thereof and subleases thereunder, and together with all guaranties of any tenant's or subtenant's performance thereunder (any such lease, as so extended, modified, and renewed and with such subleases and guaranties thereof, individually, a "Lease," and all such Leases, as so extended, modified and renewed and with such subleases and guaranties thereof, collectively, the "Leases"), all credits, cash, deposits (whether for the security or otherwise), rents, advance rentals, issues, profits, revenues, royalties, accounts, rights, benefits and income of every nature of and from the Project, including, without limitation, minimum rents, additional rents, termination payments, forfeited security deposits, liquidated damages following a default under a Lease by the tenant thereunder and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability due to destruction or damage to the Project, together with the immediate and continuing right to collect and receive the same, whether now due or hereafter becoming due, and together with all rights and claims of any kind that Assignor may have against any tenant, lessee or licensee under the Leases or against any other occupant of the Project, any award or other payment which Assignor may hereafter become entitled to receive with respect to any of the Leases as a result of or pursuant

to any bankruptcy, insolvency or reorganization or similar proceedings involving the tenants under such Leases, and any and all payments made by or on behalf of any tenant of any part of the Project in lieu of rent, and all rents, oil and gas or other mineral royalties, revenues and bonuses, issues and profits from the Project, and the building improvements, the fixtures and the equipment located thereon, including, without limitation, all revenues, receipts, income, accounts, accounts receivable and other receivables including, without limitation, revenues receipts, income, receivables and accounts relating to or arising from rentals, rent equivalent income, income and profits from the operation of the retail center on the Project, the provision or sale of goods and services, and any other items of revenue, receipts or other income (collectively, the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Obligations Secured (as defined in the Mortgage), all on the terms and subject to the conditions hereinafter set forth.

Capitalized terms used in this Assignment without definition shall have the same meanings ascribed to those terms in the Loan Agreement.

Assignment

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure repayment of the Loan with interest and all other sums due or to become due under the Loan Documents, Assignor, intending to be legally bound, hereby agrees as follows:

1. Assignment of Leases and Rents.

(a) Assignor hereby conveys, transfers, assigns and sets over unto Assignee all of Assignor's right, title, interest and privilege in, to and under the Leases and the Rents. This Assignment includes, without limitation:

(i) All Rents (whether denoted as minimum rent, percentage rent, additional rent or otherwise), income, profits and other sums due or to become due under the Leases, or any of them;

(ii) All security deposits made by any tenant or subtenant under any Lease (any such tenant or subtenant, together with any other person or entity succeeding to all or any part of such tenant's or subtenant's interest under said Lease, whether by assignment, sublease, operation of law or otherwise, and any guarantor of all or any portion of such tenant's performance under such Lease, are hereinafter referred to individually as a "Tenant" and collectively, as the "Tenants"), to the extent they may be lawfully assigned.

(iii) Any payments made by any Tenant in lieu of Rent;

(iv) Any guaranties of payment or performance of any Tenant's obligations under any Lease;

(v) All claims, rights, privileges and remedies on the part of Assignor, whether arising under the Leases or by statute or at law or in equity or otherwise, arising out of or in connection with any failure by any Tenant to pay the Rents or to perform any of its other obligations under its Lease;

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(vi) All rights, powers and privileges of Assignor to exercise any election or option or to give or receive any notice, consent, waiver or approval under or with respect to the Leases or the Rents; and

(vii) All other claims, rights, powers, privileges and remedies of Assignor under or with respect to the Leases and the Rents, including without limitation the right, power and privilege (but not the obligation) to do any and all acts, matters and other things that Assignor is entitled to do thereunder or with respect thereto.

(b) Assignor covenants and agrees with Assignee that any subsequent Leases of all or any portion of the Project shall be subject to all of the terms and conditions of this Assignment (including, without limitation, Section 3(b) hereof) and the other Loan Documents, and Assignor further covenants and agrees with Assignee that any such subsequent Lease of all or any portion of the Project shall automatically and without the necessity of any further action by Assignor or Assignee be subject to the terms and conditions of this Assignment, with the intent and effect that all Rents and other sums due and becoming due under any such subsequent Lease shall automatically be assigned hereby as security for the Loan and the performance of all of Assignor's obligations under the Loan Documents.

(c) Assignor agrees that it will, promptly upon receipt of written request from Assignee, execute, acknowledge and deliver specific and separate assignments of any or all of the Leases, including, without limitation, assignments requested in connection with any sublease under any of the Leases or any assignment, directly or indirectly, voluntarily or by operation of law, thereof, or in connection with the entrance by Assignor into any subsequent Lease.

2. Limitations on Assignment.

(a) This Assignment is given for the purpose of securing the Loan and the performance by Assignor of all of its obligations under the Loan Documents, and, accordingly, upon full and indefeasible repayment of the Loan (including, without limitation, all principal, interest, fees and collection costs) and the discharge of all of Assignor's other obligations under the Loan Documents, this Assignment shall automatically become null and void.

(b) Notwithstanding any provision herein to the contrary, this Assignment is intended to be an absolute assignment from Assignor to Assignee and not merely the granting of a security interest. The Leases and the Rents and profits hereby assigned to Assignee are assigned subject only to the right of Assignor to receive and use the Rents during any period for which rent payments are to be paid to Assignor pursuant to the provisions of Section 9 hereof (provided that Assignor shall have no right to receive and use Rents during the existence of an Event of Default).

3. Assignor's Covenants.

(a) Assignor hereby covenants that Assignor will not, without in each case obtaining the prior written consent of Assignee: (i) cancel or

following a default by the tenant thereunder; (ii) amend, modify or otherwise change any Lease so as to decrease the term or reduce the rental due, or discount, compromise or forgive any amounts due, or diminish any Tenant's obligation with regard to the payment of taxes, insurance and other sums; (iii) permit the payment of rent under any Lease more than thirty (30) days in advance of the due date thereof, or anticipate, encumber or assign the Rents or any part thereof or any interest therein; (iv) release any guarantor or surety of any Tenant's obligations; (v) waive any material default under or material breach of any Lease; or (vi) take any other action in connection with any Lease or any Rent which would materially impair the value of the rights or interests of Assignor or Assignee under or in such Lease.

(b) Assignor covenants that Assignor will perform and observe all of the covenants and requirements contained in the Mortgage and the Loan Agreement with respect to the leasing of the Project or any portion thereof, and Assignor further agrees upon request by Assignee from time to time to deliver promptly to Assignee true, complete and correct copies of all Leases (and all modifications, amendments, riders and addenda to any of the Leases) executed after the date hereof. Assignor shall use all reasonable efforts to cause the Tenants to execute and deliver to Assignee (such delivery to be within ten (10) Business Days after requested by Assignor or such longer period provided in such Lease) such certificates as to the status of the Leases, the rent, additional rent and other charges payable thereunder, and the Tenants' and Assignor's compliance with the terms thereof as Assignee may from time to time request (but not more frequently than once per year so long as no Event of Default exists), such certificates to be in form and substance reasonably satisfactory to Assignee. Assignor shall use its good faith efforts to include in each Lease executed after the date hereof a clause obligating the Tenant thereunder to execute and deliver such certificates to Assignor and its mortgagees.

4. Assignor's Obligations as Landlord. Assignor agrees that it will perform all of its obligations as landlord under the Leases, use commercially reasonable efforts to enforce the performance by the Tenants of all of their respective obligations under the Leases and appear in and defend any action or proceeding arising out of or in connection with any of the Leases. Assignor further agrees to send to Assignee duplicate copies of any notice of default from any Tenant and any material notice sent or received by Assignor.

5. Assignee Not Bound To Perform Under Leases.

(a) Notwithstanding any legal presumption to the contrary, Assignee shall not be obligated by reason of their acceptance of this Assignment to perform any obligation of Assignor as landlord under the Leases, or any of them. Assignor shall at all times remain solely liable under the Leases for the performance of the obligations of Assignor thereunder. However, Assignee may, at its sole option, and without releasing Assignor from any obligation hereunder or under the Leases, discharge any obligation which Assignor fails, after reasonable notice from Assignee, to discharge, including, without limitation, defending any legal action, and Assignor agrees to pay upon demand all sums expended by Assignee in connection therewith, including reasonable counsel fees and court costs, together with interest thereon at the Default Rate provided for under the Loan Agreement, and the same shall be added to the indebtedness evidenced by the Note and secured by the Mortgage and this Assignment.

(b) Assignee shall not have any obligation to make any inquiry as to the nature or sufficiency of any payment received by Assignee, or to present or

file any claim, or to take any action to collect or enforce the payment of any amounts which have been assigned to Assignee or to which Assignee may be entitled at any time or times. Assignor hereby agrees to indemnify Assignee and save Assignee harmless from and against any and all loss, liability, damage (excluding consequential damages) or expense (including, without limitation, reasonable attorney's fees) arising from or as a result of any claim by any Tenant or any other party arising under or in connection with the Leases, or any of them, or this Assignment, whether by reason of any alleged obligation or undertaking on Assignee's part to perform or discharge any of the covenants contained in the Leases or otherwise unless resulting from the gross negligence or willful misconduct of Assignee.

(c) Neither the acceptance of this Assignment nor the collection of Rent or other sums due or becoming due under the Leases assigned hereby shall constitute a waiver of any rights of Assignee under the Loan Documents or any other collateral now or hereafter mortgaged, pledged or assigned as collateral for the Note and the performance of Assignor's obligations thereunder and under

the other Loan Documents. Assignor agrees that the procedures required by Assignee hereunder are for the benefit of Assignee, their successors and assigns only, and not for the benefit of Assignor, any Tenant or any other party.

6. Representations and Warranties of Assignor. Assignor hereby represents and warrants to Assignee, as a material inducement to Assignee to accept this Assignment and to make the Loan, that:

(a) Based on Assignor's best knowledge after diligent investigation, Assignor has delivered to Assignee a true correct and complete list and description of all Leases currently in existence with respect to the use and occupancy of all or any portion of the Project;

(b) Assignor has not executed any prior assignment of any of its rights under any Leases except in favor of Assignee; and

(c) Assignor has not done anything which would prevent Assignee from or limit Assignee in operating under any of the provisions hereof.

7. Bankruptcy and Other Proceeds. In furtherance and not in limitation of the assignment set forth in Section 1 hereof:

(a) Assignor hereby assigns to Assignee any award hereafter made to Assignor in any court proceeding involving any of the Tenants in any bankruptcy, insolvency, or reorganization in any state or Federal court.

(b) Assignor assigns to Assignee any purchase proceeds receivable by reason of any Tenant's exercising any right of first refusal or any option to purchase the Project or any portion thereof as may be provided in any of the Leases or any additions, amendments or supplements thereto.

8. Events of Default.

(a) The occurrence of any one or more of the following shall, at the option of Assignee, constitute an event of default (each, an "Event of Default") hereunder:

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(i) Any representation or warranty or financial statement of Assignor or Guarantor under this Assignment or under any of the other Loan Documents shall be untrue in any material adverse respect when made (including by omission of material information necessary to make such representation or warranty or financial statement not misleading);

(ii) Assignor shall have failed to observe and perform any of the terms, covenants, promises and agreements on its part to be observed and performed under this Assignment and, except for the events specified in the following subsections of this Section 8(a) (which shall be subject to the grace or cure periods, if any, provided therein), such Default shall not have been cured within thirty (30) days after written notice of such default shall have been given to Assignor; provided that, if such Default is curable but not reasonably capable of cure within such thirty (30) day period, Assignor shall have such further period, not to exceed a period of sixty (60) days in the aggregate, as may be required to cure such Default, on the condition that Assignor commences such cure within the original thirty (30) day period and thereafter diligently prosecutes such cure to completion;

(iii) An Event of Default shall have occurred under any other Loan Document; or

(iv) The occurrence of any material default by Assignor under any Lease or number of Leases which individually or in the aggregate, in the reasonable judgment of Assignee, has a material adverse effect on the financial condition of Assignor or the Project.

(b) Upon the occurrence of any Event of Default, Assignee shall be entitled to exercise all or any of their rights and remedies under the Loan Agreement, Note, Mortgage and this Assignment, or as may otherwise be available to Assignee at law or in equity, in such order as Assignee may elect.

9. Right of Assignee to Direct Payment of Rents. The assignment set forth above includes the full and complete assignment by Assignor to Assignee of all right, power and privilege of Assignor to direct the party to whom Rents are to be paid. Such assignment of the right to direct payment of Rents is unconditional and unrestricted, except that, so long as no Event of Default has occurred, Assignor shall have a license to collect Rents which license may be terminated and revoked by Assignee upon the occurrence of an Event of Default. The Tenants shall be, and hereby are, irrevocably authorized to rely upon and act in accordance with (and shall be fully protected in so doing) any notice or demand by Assignee for the payment to Assignee or their nominee of any Rents which may then be or thereafter become due under the Leases, and shall have no

duty to inquire whether any such notice or demand by Assignee conflicts with any provision of this Assignment.

10. Benefits and Burdens. This Assignment shall be binding upon Assignor and its successors and assigns, including any subsequent owner of the Project, and shall inure to the benefit of Assignee and its successors and assigns. In furtherance and not in limitation of the foregoing, Assignee, as holder of the Mortgage, shall have the right to assign all or a portion of Assignee's rights, title, interest and privilege in and to the Leases and/or the

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Rents to any subsequent holder of the Mortgage, and to assign the same to any person acquiring title to the Project through foreclosure or otherwise.

11. Notices. All notices required to be given to any of the parties hereunder shall be in writing and shall be deemed to have been sufficiently given for all purposes when sent in accordance with the notice provisions contained in the Loan Agreement.

12. Governing Law; Amendment. This Assignment is delivered and intended to be performed in the Commonwealth of Pennsylvania and shall be governed and construed in accordance with the laws of said Commonwealth. This Assignment may only be amended by an instrument in writing executed by Assignor and Assignee. In case of any conflict between this Agreement and the Lockbox Agreement of this date, the Lock Agreement shall govern.

IN WITNESS WHEREOF, Assignor has duly executed this Assignment, under seal, as of the day and year first above written.

CEDAR-CAMP HILL, LLC, a Delaware limited liability company, by its sole member, as follows:

Cedar Income Fund Partnership, L.P., a Delaware limited partnership, by its sole general partner, as follows:

Cedar Income Fund, Ltd., a Maryland corporation

Attest: _____
Name: Stuart H. Widowski
Title: Secretary

By: _____
Name: Brenda J. Walker
Title: Vice President

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COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2002, before me a Notary Public in and for the Commonwealth and County aforesaid, personally appeared _____, who acknowledged himself to be the _____ of Cedar Income Fund, Ltd., a Maryland corporation, sole general partner of Cedar Income Fund Partnership, L.P., a Delaware limited partnership, the sole member of Cedar-Camp Hill, LLC, a Delaware limited liability company, and that as such partner being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

Legal Description

ASSIGNMENT AND ASSUMPTION OF
AGREEMENT FOR COMPLETION AND GUARANTEE

THIS ASSIGNMENT AND ASSUMPTION OF AGREEMENT FOR COMPLETION AND GUARANTEE (this "Assignment") is executed as of this _____ day of November, 2002, by CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation ("Seller"), and CEDAR-CAMP HILL, LLC, a Delaware limited liability company ("Purchaser").

Purchaser is this day purchasing from Seller and Seller is conveying to Purchaser the real property described on Exhibit A attached hereto and made a part hereof together with all improvements thereon and appurtenances thereto (herein called the "Property"). Seller is a party to a certain "Borough of Camp Hill Agreement for Completion and Guarantee of Plan Improvements" dated the 19th day of December, 2001 (the "Completion Agreement") pursuant to which Seller is responsible to the Borough of Camp Hill for the completion of certain improvements located upon the Property, a copy of which is attached hereto as Exhibit B and made a part hereof.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby transfers and assigns to Purchaser, effective as of the date hereof, all right, title, and interest of Seller in, to and under the Completion Agreement, including any and all rights of Seller to any and all deposits thereunder.

Seller on behalf of itself, its successors and assigns does hereby agree to indemnify and hold Purchaser, its successors and assigns, harmless from and against all liabilities arising out of events occurring under the Completion Agreement prior to the date hereof but not thereafter, provided, however, that the foregoing indemnity shall not imply any warranty or indemnity with respect to compliance with environmental and land use laws or the use, generation or disposal of hazardous materials, such matters being governed solely by the terms of that certain Agreement of Purchase and Sale between Seller and Cedar Income Fund Partnership, L.P. having an Effective Date (as defined therein) of August 14, 2002, as amended by that certain First Amendment to Agreement of Purchase and Sale dated September 12, 2002, Second Amendment to Agreement of Sale and Purchase dated October 31, 2002, and Third Amendment to Agreement of Purchase and Sale dated as of November 15, 2002, Cedar Income Fund Partnership, L.P.'s interest in which was assigned to Purchaser on the date hereof.

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Purchaser on behalf of itself, its successors and assigns does hereby agree to indemnify and hold Seller, its successors and assigns harmless from all liabilities arising out of events occurring under the Completion Agreement from and after the date hereof.

Purchaser hereby assumes all obligations of Seller under the Completion Agreement arising from and after the date hereof.

This Assignment may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all parties hereto have executed at least one counterpart.

The terms and provisions of this Assignment shall be binding upon and inure to the benefit of the respective parties hereto and their respective successors and assigns.

SIGNATURES FOLLOW ON NEXT PAGE

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EXECUTED as of the day and year first written above.

SELLER:

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY, a Connecticut corporation

By: CIGNA Investments, Inc., a Delaware
corporation, its authorized agent

By: _____

Name: Stephen J. Olstein
Title: Managing Director

PURCHASER:

By: _____
Name: Leo S. Ullman
Title: President

-3-

EXHIBIT A

TO

ASSIGNMENT AND ASSUMPTION OF
AGREEMENT FOR COMPLETION AND GUARANTEE

Legal Description

ALL THAT CERTAIN tract of ground situate in the Borough of Camp Hill and the Township of East Pennsboro, County of Cumberland and Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point, said point being the right-of-way intersection of the southern right-of-way line of Trindle Road and the western right-of-way line of South 32nd Street; thence along the western right-of-way line of South 32nd Street, South 40 degrees 33 minutes 00 seconds East, a distance of 134.51 feet to a point; thence along the same, South 10 degrees 26 minutes 00 seconds East, a distance of 461.34 feet to a point; thence along the same, South 11 degrees 48 minutes 00 seconds East, a distance of 870.92 feet to a point; thence along land of Commonwealth of Pennsylvania, Ramp "H" Harrisburg Expressway the following seven (7) courses: (1) South 78 degrees 12 minutes 00 seconds West, a distance of 14.00 feet to a point; thence (2) on an arc of a curve curving to the right having a radius of 394.00 feet, an arc length of 368.30 feet to a point; thence (3) South 41 degrees 45 minutes 28 seconds West, a distance of 511.18 feet to a point; thence (4) South 56 degrees 19 minutes 00 seconds West, a distance of 198.36 feet to a point; thence (5) along an arc of a curve curving to the right having a radius of 364.00 feet, an arc length of 247.77 feet to a point; thence (6) South 05 degrees 19 minutes 00 seconds West, a distance of 16.00 feet to a point; thence (7) North 84 degrees 41 minutes 00 seconds West, a distance of 86.77 feet to a point; thence along land now or late of Pennsylvania Real Estate Investment Trust the following four (4) courses: (1) North 24 degrees 49 minutes 00 seconds West, a distance of 99.92 feet to a point; (2) thence North 65 degrees 11 minutes 00 seconds East, a distance of 15.00 feet to a point; (3) thence North 24 degrees 49 minutes 00 seconds West, a distance of 120.00 feet to a point; (4) thence North 64 degrees 26 minutes 00 seconds East, a distance of 303.09 feet to a point; thence along the same, land now or late of Hampden Industrial Development Authority and land now or late of Charles Adler & Sons, Inc., North 24 degrees 49 minutes 00 seconds West, a distance of 1,633.31 feet to a point on the Southern right-of-way line of Trindle Road; thence along said right-of-way line, North 65 degrees 21 minutes 00 seconds East, a distance of 1,184.06 feet to a point the point of BEGINNING.

BEING THE SAME PREMISES which Mid-Island Properties, Inc., a Pennsylvania Corporation, conveyed unto Connecticut General Life Insurance Company, a Connecticut Corporation, by deed dated November 10, 2000 and recorded November 15, 2000 in Record Book 233, Page 1140.

BEING Property Parcel Number 01-21-0273-410.

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EXHIBIT B

TO

ASSIGNMENT AND ASSUMPTION OF
AGREEMENT FOR COMPLETION AND GUARANTEE

Copy of Agreement for Completion and Guarantee

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ASSIGNMENT AND ASSUMPTION OF
LEASES AND SECURITY DEPOSITS

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS (this "Assignment") is executed as of this ____ day of November, 2002, by CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation ("Seller"), and CEDAR-CAMP HILL, LLC, a Delaware limited liability company ("Purchaser").

Purchaser is this day purchasing from Seller and Seller is conveying to Purchaser the real property described on Exhibit A attached hereto and made a part hereof together with all improvements thereon and appurtenances thereto (herein called the "Property"). The Property is occupied by various tenants (herein called the "Tenants") claiming under written space leases listed and described on Exhibit B attached hereto and made a part hereof (the "Leases"). Seller has required certain of the Tenants to pay and has collected from such Tenants a security or other deposit, a list of which deposits and the Tenants from whom the deposits were collected being set forth on Exhibit B attached hereto and made a part hereof (herein the total of all such deposits are referred to as the "Security Deposits"). Seller desires to transfer and assign all of Seller's right, title and interest in and to: (i) the Leases and (ii) the Security Deposits.

NOW, THEREFORE in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby transfers and assigns to Purchaser, effective as of the date hereof, all right, title and interest of Seller in and to: (i) the Leases (including, without limitation, all rights of Seller as landlord in connection with and respecting any and all claims against tenants in bankruptcy and any and all landlord rights to vote in connection therewith), and (ii) the Security Deposits.

Seller on behalf of itself, its successors and assigns does hereby agree to indemnify and hold Purchaser, its successors and assigns, harmless from and against all liabilities arising out of events occurring under the Leases prior to the date hereof but not thereafter, provided, however, that the foregoing indemnity shall not imply any warranty or indemnity with respect to compliance with environmental and land use laws or the use, generation or disposal of hazardous materials, such matters being governed solely by the terms of that certain Agreement of Purchase and Sale between Seller and Cedar Income Fund Partnership, L.P. having an Effective Date (as defined therein) of August 14, 2002, as amended by that certain First Amendment to Agreement of Purchase and Sale dated September 12, 2002, Second Amendment to Agreement of Purchase and Sale dated October 31, 2002, and Third Amendment to Agreement of Purchase and Sale dated as of November 15, 2002, Cedar Income Fund Partnership, L.P.'s interest in which was assigned to Purchaser on the date hereof.

Purchaser on behalf of itself, its successors and assigns does hereby agree to indemnify and hold Seller, its successors and assigns harmless from all liabilities arising out of events occurring under the Leases from and after the date hereof; provided, however, Purchaser shall not be liable under this indemnity for or with respect to any inaccuracies set forth in Exhibit B.

Purchaser hereby assumes all obligations: (i) of the landlord under the Leases arising from and after the date hereof, and (ii) under the Leases to pay or account for the Security Deposits hereby transferred to Purchaser.

It is specifically agreed that Seller does not hereby transfer or assign to Purchaser and Purchaser does not hereby assume liability for, any deposits other than as set forth on Exhibit B.

This Assignment may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all parties hereto have executed at least one counterpart.

The terms and provisions of this Assignment shall be binding upon and inure to the benefit of the respective parties hereto and their respective successors and assigns.

[SIGNATURES FOLLOW ON NEXT PAGE]

EXECUTED as of the day and year first written above.

SELLER:

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY, a Connecticut corporation

By: CIGNA Investments, Inc., a Delaware
corporation, its authorized agent

By:

Name: Stephen J. Olstein
Title: Managing Director

PURCHASER:

CEDAR-CAMP HILL, LLC, a Delaware limited liability company

By:

Name: Leo S. Ullman
Title: President

EXHIBIT A

TO

ASSIGNMENT AND ASSUMPTION OF
LEASES AND SECURITY DEPOSITS

Legal Description

ALL THAT CERTAIN tract of ground situate in the Borough of Camp Hill and the Township of East Pennsboro, County of Cumberland and Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point, said point being the right-of-way intersection of the southern right-of-way line of Trindle Road and the western right-of-way line of South 32nd Street; thence along the western right-of-way line of South 32nd Street, South 40 degrees 33 minutes 00 seconds East, a distance of 134.51 feet to a point; thence along the same, South 10 degrees 26 minutes 00 seconds East, a distance of 461.34 feet to a point; thence along the same, South 11 degrees 48 minutes 00 seconds East, a distance of 870.92 feet to a point; thence along land of Commonwealth of Pennsylvania, Ramp "H" Harrisburg Expressway the following seven (7) courses: (1) South 78 degrees 12 minutes 00 seconds West, a distance of 14.00 feet to a point; thence (2) on an arc of a curve curving to the right having a radius of 394.00 feet, an arc length of 368.30 feet to a point; thence (3) South 41 degrees 45 minutes 28 seconds West, a distance of 511.18 feet to a point; thence (4) South 56 degrees 19 minutes 00 seconds West, a distance of 198.36 feet to a point; thence (5) along an arc of a curve curving to the right having a radius of 364.00 feet, an arc length of 247.77 feet to a point; thence (6) South 05 degrees 19 minutes 00 seconds West, a distance of 16.00 feet to a point; thence (7) North 84 degrees 41 minutes 00 seconds West, a distance of 86.77 feet to a point; thence along land now or late of Pennsylvania Real Estate Investment Trust the following four (4) courses: (1) North 24 degrees 49 minutes 00 seconds West, a distance of 99.92 feet to a point; (2) thence North 65 degrees 11 minutes 00 seconds East, a distance of 15.00 feet to a point; (3) thence North 24 degrees 49 minutes 00 seconds West, a distance of 120.00 feet to a point; (4) thence North 64 degrees 26 minutes 00 seconds East, a distance of 303.09 feet to a point; thence along the same, land now or late of Hampden Industrial Development Authority and land now or late of Charles Adler & Sons, Inc., North 24 degrees 49 minutes 00 seconds West, a distance of 1,633.31 feet to a point on the Southern right-of-way line of Trindle Road; thence along said right-of-way line, North 65 degrees 21 minutes 00 seconds East, a distance of 1,184.06 feet to a point the point of BEGINNING.

BEING THE SAME PREMISES which Mid-Island Properties, Inc., a Pennsylvania Corporation, conveyed unto Connecticut General Life Insurance Company, a Connecticut Corporation, by deed dated November 10, 2000 and recorded November 15, 2000 in Record Book 233, Page 1140.

BEING Property Parcel Number 01-21-0273-410.

EXHIBIT B

TO

ASSIGNMENT AND ASSUMPTION OF
LEASES AND SECURITY DEPOSITS

Rent Roll (including Leases and Security Deposits)

BILL OF SALE AND GENERAL ASSIGNMENT

Concurrently with the execution and delivery hereof, CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation ("Assignor"), is conveying to CEDAR-CAMP HILL, LLC, a Delaware limited liability company ("Assignee"), by Special Warranty Deed, that certain tract of land together with the improvements thereon (the "Property") lying and being situated in the Borough of Camp Hill, Township of East Pennsboro, County of Cumberland, and Commonwealth of Pennsylvania, and being more particularly described in Exhibit A, attached hereto and made a part hereof.

It is the desire of Assignor to hereby assign, transfer, set over and deliver to Assignee all furnishings, fixtures, fittings, appliances, apparatus, equipment, machinery and other items of personal property, if any, affixed or attached to, or placed or situated upon, the Property, (except those not owned by Assignor) and any and all other incidental rights and appurtenances relating thereto, all as more fully described below in Sections 1 through 6 inclusive (collectively, the "Assigned Properties");

NOW, THEREFORE, in consideration of the receipt of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET OVER and DELIVER to Assignee, its successors and assigns, effective as of the date hereof, all of the Assigned Properties, without warranty (whether statutory, express or implied), including, without limitation the following:

1. All furnishings, fittings, equipment, appliances, apparatus, machinery fixtures and all other items of every kind and character (both tangible and intangible), if any, owned by Assignor and located in or on the Property, including, without limitation, those items listed on Exhibit B attached hereto;
2. All of Assignor's interest in and to all use, occupancy, building and operating permits, licenses and approvals, if any, issued from time to time with respect to the Property or the Assigned Properties;
3. All of Assignor's interest in and to the maintenance, service and supply contracts, if any, set forth on Exhibit C attached hereto, relating to the Property or the Assigned Properties (to the full extent same are assignable);
4. All of Assignor's interest in and to all existing and assignable guaranties and warranties (express or implied), if any, issued in connection with the construction, alteration and repair of the Property and/or the purchase, installation and the repair of the Assigned Properties;
5. All rights which Assignor may have to use any names commonly used in connection with the Property, if any; and
6. All rights, which Assignor may have, if any, in and to any tenant data, telephone numbers and listings, all master keys and keys to common areas, all good will, if any, and any and all other rights, privileges and appurtenances owned by Assignor and related to or used in connection with the existing business operation of the Property.

TO HAVE AND TO HOLD the Assigned Properties, subject as aforesaid, unto Assignee, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, title to the Assigned Properties unto Assignee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Assignor, but not otherwise, subject to all terms and provisions hereof and subject to the same Permitted Encumbrances listed and described on Exhibit B to that certain Special Warranty Deed of even date herewith from Assignor to Assignee.

ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE PHYSICAL CONDITION OF THE ASSIGNED PROPERTIES OR THE SUITABILITY THEREOF FOR ANY PURPOSE THAT ASSIGNEE MAY DESIRE TO USE IT. ASSIGNOR HEREBY EXPRESSLY DISCLAIMS ANY WARRANTIES AS TO MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER WARRANTIES OR REPRESENTATIONS AS TO THE PHYSICAL CONDITION OF THE ASSIGNED PROPERTIES. ASSIGNEE ACKNOWLEDGES AND AGREES THAT IT HAS INSPECTED THE ASSIGNED PROPERTIES AND ACCEPTS SAME IN THEIR PRESENT CONDITION, "AS IS" AND "WITH ALL FAULTS."

Assignor on behalf of itself and its successors and assigns does hereby agree to indemnify and hold Assignee, its successors and assigns, harmless from all obligations accruing under the maintenance, service and supply contracts assigned hereby and any liabilities arising out of events occurring thereunder, prior to the date hereof but not thereafter.

Assignee on behalf of itself, its successors and assigns, hereby agrees to assume and perform all obligations accruing under the maintenance, service

and supply contracts from and after the date hereof, and Assignee on behalf of itself, its successors and assigns does hereby agree to indemnify and hold Assignor, its successors and assigns, harmless from all such obligations and any liabilities arising out of events occurring thereunder from and after the date hereof.

This document may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all parties hereto have executed at least one counterpart.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Bill of Sale and General Assignment to be executed as of the ____ day of November, 2002.

ASSIGNOR:

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY, a Connecticut corporation

By: CIGNA Investments, Inc., a Delaware
corporation, its authorized signatory

By

Name: Stephen J. Olstein
Title: Managing Director

ASSIGNEE:

CEDAR-CAMP HILL, LLC, a Delaware limited
liability company

By:

Name: Leo S. Ullman
Title: President

EXHIBIT A

TO

BILL OF SALE AND GENERAL ASSIGNMENT

Legal Description

ALL THAT CERTAIN tract of ground situate in the Borough of Camp Hill and the Township of East Pennsboro, County of Cumberland and Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point, said point being the right-of-way intersection of the southern right-of-way line of Trindle Road and the western right-of-way line of South 32nd Street; thence along the western right-of-way line of South 32nd Street, South 40 degrees 33 minutes 00 seconds East, a distance of 134.51 feet to a point; thence along the same, South 10 degrees 26 minutes 00 seconds East, a distance of 461.34 feet to a point; thence along the same, South 11 degrees 48 minutes 00 seconds East, a distance of 870.92 feet to a point; thence along land of Commonwealth of Pennsylvania, Ramp "H" Harrisburg Expressway the following seven (7) courses: (1) South 78 degrees 12 minutes 00 seconds West, a distance of 14.00 feet to a point; thence (2) on an arc of a curve curving to the right having a radius of 394.00 feet, an arc length of 368.30 feet to a point; thence (3) South 41 degrees 45 minutes 28 seconds West, a distance of 511.18 feet to a point; thence (4) South 56 degrees 19 minutes 00 seconds West, a distance of 198.36 feet to a point; thence (5) along an arc of a curve curving to the right having a radius of 364.00 feet, an arc length of 247.77 feet to a point; thence (6) South 05 degrees 19 minutes 00 seconds West, a distance of 16.00 feet to a point; thence (7) North 84 degrees 41 minutes 00 seconds West, a distance of 86.77 feet to a point; thence along land now or late of Pennsylvania Real Estate Investment Trust the following four (4) courses: (1) North 24 degrees 49 minutes 00 seconds West, a distance of 99.92 feet to a point; (2) thence North 65 degrees 11 minutes 00 seconds East, a distance of 15.00 feet to a point; (3) thence North 24 degrees 49 minutes 00 seconds West, a distance of 120.00 feet to a point; (4) thence North 64 degrees 26 minutes 00 seconds East, a distance of 303.09 feet to a point; thence along the same, land now or late of Hampden Industrial Development Authority and land now or late of Charles Adler & Sons,

Inc., North 24 degrees 49 minutes 00 seconds West, a distance of 1,633.31 feet to a point on the Southern right-of-way line of Trindle Road; thence along said right-of-way line, North 65 degrees 21 minutes 00 seconds East, a distance of 1,184.06 feet to a point the point of BEGINNING.

BEING THE SAME PREMISES which Mid-Island Properties, Inc., a Pennsylvania Corporation, conveyed unto Connecticut General Life Insurance Company, a Connecticut Corporation, by deed dated November 10, 2000 and recorded November 15, 2000 in Record Book 233, Page 1140.

BEING Property Parcel Number 01-21-0273-410.

EXHIBIT B

TO

BILL OF SALE AND GENERAL ASSIGNMENT

Assigned Properties

EXHIBIT C

TO

BILL OF SALE AND GENERAL ASSIGNMENT

Maintenance, Service and Supply Contracts

DEED

THIS INDENTURE made the ___ day of November in the year of our Lord two thousand and two (2002),

BETWEEN CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation (hereinafter called the "Grantor"), of the one part, and CEDAR-CAMP HILL, LLC, a Delaware limited liability company (hereinafter called the "Grantee"), of the other part,

WITNESSETH that the Grantor for and in consideration of the sum of Seventeen Million Two Hundred Thousand (\$17,200,000) Dollars lawful money of the United States of America, unto it well and truly paid by the Grantee at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, released and confirmed, and by these presents does grant bargain and sell, release and confirm unto the Grantee, its successors and assigns, as limited liability company property for the uses and purposes of the limited liability company.

ALL THAT CERTAIN lot or piece of ground situate, lying and being partially in the Borough of Camp Hill and partially in the Township of East Pennsboro, County of Cumberland, Commonwealth of Pennsylvania, more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof.

BEING COUNTY TAX PARCEL NUMBER: 01-21-0273-410.

BEING the same premises which Mid-Island Properties, Inc. by Deed dated November 10, 2000 and recorded on November 15, 2000 in the Office of the Recorder of Deeds of Cumberland County, Pennsylvania, in Deed Book 233, Page 1140, et seq., granted and conveyed unto Connecticut General Life Insurance Company, in fee.

UNDER AND SUBJECT, to the matters set forth on Exhibit "B" attached hereto and made a part hereof (the "Permitted Encumbrances").

TOGETHER with all and singular the buildings and improvements, ways, streets, alleys, driveways, passages, waters, water-courses, rights, liberties, privileges, hereditaments and appurtenances, whatsoever unto the hereby granted premises belonging or in any wise appertaining, and the reversions and remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, property, claim and demand whatsoever of the Grantor, as well at law as in equity, of, in, and to the same.

TO HAVE AND TO HOLD the said lot or piece of ground above described with the buildings and improvements thereon erected, hereditaments and premises hereby granted, or mentioned and intended so to be, with the appurtenances, unto the Grantee, its successors and assigns, to and for the only proper use and behoof of the Grantee, its successors and assigns forever, as limited liability company property for the uses and purposes of the limited liability company.

UNDER AND SUBJECT AS AFORESAID.

-1-

AND the Grantor for itself, its successors does covenant, promise and agree, to and with the Grantee, its successors and assigns by these presents, that the Grantor, its successors all and singular the hereditaments and premises hereby granted or mentioned and intended so to be, with the appurtenances, unto the Grantee, its successors and assigns, against the Grantor, its successors and against all and every person and persons whomsoever lawfully claiming or to claim the same or any part thereof, by, from or under it, them, or any of them, shall and will, SUBJECT AS AFORESAID, WARRANT AND forever DEFEND.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.

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IN WITNESS WHEREOF, the Grantor has caused this Deed to be executed on the day and year first above written.

SEALED AND DELIVERED
IN THE PRESENCE OF US:

CONNECTICUT GENERAL LIFE INSURANCE
COMPANY, a Connecticut Corporation

By: CIGNA Investments, Inc., a Delaware Corporation,
its authorized agent

By:

Name: Stephen J. Olstein
Title: Managing Director

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STATE OF CONNECTICUT :
:SS
COUNTY OF HARTFORD :

On this, the __ day of November, 2002, before me, the undersigned, personally appeared Stephen J. Olstein who acknowledged himself to be the Managing Director of CIGNA Investments, Inc., a Delaware corporation, and the authorized agent of CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation, and that he in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation as such Managing Director.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
[Notarial Seal]

My Commission Expires:

The precise address of the within named Grantee is:

On behalf of the Grantee

EXHIBIT "A"

LEGAL DESCRIPTION

ALL THAT CERTAIN tract of ground situate in the Borough of Camp Hill and the Township of East Pennsboro, County of Cumberland and Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point, said point being the right-of-way intersection of the southern right-of-way line of Trindle Road and the western right-of-way line of South 32nd Street; thence along the western right-of-way line of South 32nd Street, South 40 degrees 33 minutes 00 seconds East, a distance of 134.51 feet to a point; thence along the same, South 10 degrees 26 minutes 00 seconds East, a distance of 461.34 feet to a point; thence along the same, South 11 degrees 48 minutes 00 seconds East, a distance of 870.92 feet to a point; thence along land of Commonwealth of Pennsylvania, Ramp "H" Harrisburg Expressway the following seven (7) courses: (1) South 78 degrees 12 minutes 00 seconds West, a distance of 14.00 feet to a point; thence (2) on an arc of a curve curving to the right having a radius of 394.00 feet, an arc length of 368.30 feet to a point; thence (3) South 41 degrees 45 minutes 28 seconds West, a distance of 511.18 feet to a point; thence (4) South 56 degrees 19 minutes 00 seconds West, a distance of 198.36 feet to a point; thence (5) along an arc of a curve curving to the right having a radius of 364.00 feet, an arc length of 247.77 feet to a point; thence (6) South 05 degrees 19 minutes 00 seconds West, a distance of 16.00 feet to a point; thence (7) North 84 degrees 41 minutes 00 seconds West, a distance of 86.77 feet to a point; thence along land now or late of Pennsylvania Real Estate Investment Trust the following four (4) courses: (1) North 24 degrees 49 minutes 00 seconds West, a distance of 99.92 feet to a point; (2) thence North 65 degrees 11 minutes 00 seconds East, a distance of 15.00 feet to a point; (3) thence North 24 degrees 49 minutes 00 seconds West, a distance of 120.00 feet to a point; (4) thence North 64 degrees 26 minutes 00 seconds East, a distance of 303.09 feet to a point; thence along the same, land now or late of Hampden Industrial Development Authority and land now or late of Charles Adler & Sons,

Inc., North 24 degrees 49 minutes 00 seconds West, a distance of 1,633.31 feet to a point on the Southern right-of-way line of Trindle Road; thence along said right-of-way line, North 65 degrees 21 minutes 00 seconds East, a distance of 1,184.06 feet to a point the point of BEGINNING.

BEING THE SAME PREMISES which Mid-Island Properties, Inc., a Pennsylvania Corporation, conveyed unto Connecticut General Life Insurance Company, a Connecticut Corporation, by deed dated November 10, 2000 and recorded November 15, 2000 in Record Book 233, Page 1140.

BEING Property Parcel Number 01-21-0273-410.

EXHIBIT "B"

PERMITTED ENCUMBRANCES

Rights or claims of parties in possession as tenants only under the terms of leases as described on the rent roll certified and delivered to Grantee by Grantor on the date of this Deed.

Any encroachments, easements, measurements, variations in area or content, party walls or other facts which a correct survey of the premises would show.

Memorandum of Lease between Mid-Island Properties, Inc. to Supermarkets General Corporation as set forth in Misc. Book 303, Page 600. Assigned to Giant Foods by Assignment and Assumption of Lease Agreement as set forth in Misc. Book 491, Page 444.

Memorandum of Lease between Mid-Island Properties, Inc. and Cumberland County Industrial Development Authority as set forth in Misc. Book 240, Page 8.

Memorandum of Lease between Camp Hill Shopping Center Associates and Barnes & Noble Booksellers, Inc., dated April 13, 2000 and recorded in Misc. Book 657, Page 112; and Ground Lessor Recognition Agreement between Mid-Island Properties and Camp Hill Shopping Center Associates and Barnes & Noble Booksellers, Inc., recorded in Misc. Book 657, Page 119.

Memorandum of Lease between Camp Hill Shopping Center Associates and Harris Savings Bank, dated July 26, 2000 and recorded November 8, 2000 in Misc. Book 659, Page 777.

Right of Way Agreement to The United Gas Improvement Company as set forth in Misc. Book 140, Page 263.

Misc. of Easement and Right of Way granted to Riverton Consolidated Water Co. as set forth in Misc. Book 109, Page 540 and in Misc. Book 142, Page 172.

Rights granted to The Bell Telephone Company of Pennsylvania in Misc. Book 131, Page 389.

Rights granted to The Bell Telephone Company of Pennsylvania in Misc. Book 142, Page 3.

Rights granted to The Bell Telephone Company of Pennsylvania in Misc. Book 312, Page 205.

Rights granted to The Bell Telephone Company of Pennsylvania in Misc. Book 395, Page 266.

Rights granted to Pennsylvania Power & Light Company in Misc. Book 158, Page 783.

Rights granted to Pennsylvania Power & Light Company in Misc. Book 171, Page 607.

Rights granted to Pennsylvania Power & Light Company in Misc. Book 180, Page 833.

Rights granted to Pennsylvania Power & Light Company in Misc. Book 201, Page 330.

Rights granted to Pennsylvania Power & Light Company in Misc. Book 243, Page 406.

Rights granted to Pennsylvania Power & Light Company in Misc. Book 259, Page 489.

Rights granted to Pennsylvania Power & Light Company in Misc. Book 306, Page 978.

Rights granted to Pennsylvania Power & Light Company in Misc. Book 390, Page 905.

Easement for Utility Line Extension and Appurtenances as set forth in Misc. Book 240, Page 15.

Subject to water main easement as set forth in Deed Book X, Volume 30, Page 532 and further shown on Subdivision Plan Book 46, Page 11.

Restrictions as set forth in Deed Book X, Volume 30, Page 532.

Notes and conditions as shown on Subdivision Plan Book 46, Page 11:

- |X| 30' minimum building set back line on North side of lot
- |X| 10' minimum building set back line on East side of lot
- |X| 60' minimum building set back line on South side of lot
- |X| 12' wide water main easement along the southern side of lot.

Right of Way Agreement to PPL Electric Utilities Corporation, as set forth in Misc. Book 687, Page 3402.

Notes and conditions as shown on Subdivision Plan Book 80, Page 93.

Notes and conditions as shown on Subdivision Plan Book 84, Page 92.

Memorandum of Ground Lease between Connecticut General Life Insurance Company and Commerce Bank/Harrisburg, N.A., dated August 27, 2002 and recorded September 9, 2002 in Misc. Book 690, Page 275.

CONNECTICUT GENERAL LIFE INSURANCE COMPANY
280 Trumbull Street
Hartford, CT 06103

November 15, 2002

Cedar-Camp Hill, LLC
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue
Port Washington, NY 11050

ATTENTION: Leo S. Ullman

Re: Sale of Camp Hill Mall (the "Property")
Connecticut General Life Insurance Company to
Cedar-Camp Hill, LLC

Gentlemen:

Attached to this letter as Exhibit A is a list of the receivables/delinquent rents at the Property (the "Receivables") as of the date of this letter (the "Closing Date"). The collection, receipt, disposition and distribution of the Receivables following the Closing Date shall be handled as "delinquent rents" in accordance with the provisions of Article V of the Purchase and Sale Agreement between Connecticut General Life Insurance Company (the "Seller") and Cedar Income Fund Partnership, L.P. (the "Original Purchaser") having an Effective Date (as defined therein) of August 14, 2002, as amended by First and Second Amendments to Purchase and Sale Agreement dated September 12, 2002 and October 31, 2002 respectively, as further amended by Third Amendment to Agreement of Purchase and Sale dated as of November 15, 2002 and as assigned to Cedar-Camp Hill, LLC (the "Purchaser") on the Closing Date (as so amended and assigned, the "Purchase and Sale Agreement").

By signing this letter agreement the Seller represents and warrants to the Purchaser that the Receivables are as set forth on Exhibit A and the Seller and Purchaser agree that the provisions of Article V shall control the collection, receipt, disposition and distribution of the Receivables (as "delinquent rents") following the Closing Date, the provisions of which Article, by the terms of the Purchase and Sale Agreement, shall survive the Closing Date and the delivery and acceptance of the Deed.

Very truly yours,

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY

By: STEPHEN J. OLSTEIN

PURCHASER'S SIGNATURE FOLLOWS ON NEXT PAGE

AGREED TO THIS ____ DAY OF NOVEMBER, 2002

BY: CEDAR-CAMP HILL, LLC,
a Delaware limited liability company

By: _____
Name: Leo S. Ullman
Title: President

EXHIBIT A

LIST OF RECEIVABLES

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (as amended, modified, supplemented, extended, restated or replaced from time to time, this "Agreement"), is made as of November 22, 2002, by CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership, having an office c/o Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050 ("Pledgor"), in favor of SWH FUNDING CORP., a New Jersey corporation, having an office at Two University Plaza, Hackensack, New Jersey 07601 (together with its successors, assigns and participants, "Lender").

WITNESSETH:

WHEREAS, Lender has made, or is about to make, that certain loan to Pledgor in the principal amount of \$6,000,000.00 (the "Loan"), pursuant to the terms, conditions and provisions of that certain Loan Agreement, as of even date herewith, by and between Lender, as lender, and Pledgor, as borrower (as amended, modified, supplemented, extended, restated or replaced from time to time, the "Loan Agreement"), which Loan is evidenced by, inter alia, that certain Promissory Note, of even date herewith, made by Pledgor, as maker, to the order of Lender, as payee, in the amount of \$6,000,000.00 (as amended, modified, supplemented, extended, restated, replaced, severed or split from time to time, the "Note" and, together with the Loan Agreement and all related documents, agreements and instruments executed and delivered as security for the Note or in order to evidence or establish or secure the Loan, including, without limitations this Agreement, the "Loan Documents"), and secured by, inter alia, this Agreement; and

WHEREAS, Pledgor is (a) a member of Cedar Center Holdings LLC 3, a Delaware limited liability company ("Holdings") and the owner of 100% of the equity interests therein, Holdings having been formed pursuant to the terms and provisions of that certain Certificate of Formation, filed with the Secretary of State of Delaware (the "Secretary of State") on September 13, 2001 (the "Holdings Certificate of Formation") and (b) the sole member of Cedar-Camp Hill LLC, a Delaware limited liability company ("Camp Hill") and the owner of 100% of the membership interests therein, Camp Hill having been formed pursuant to the terms and provisions of that certain Certificate of Formation, filed with the Secretary of State on November 1, 2002 (the "Camp Hill Certificate of Formation" and, together with the Holdings Certificate of Formation, the "Certificates of Formation"); and

WHEREAS, as a condition of making the Loan to Pledgor, Lender has required that Pledgor enter into this Agreement; and

WHEREAS, Pledgor will derive substantial economic benefit from the Loan being made and, accordingly, Pledgor desires to execute and deliver this Agreement.

NOW, THEREFORE, for Ten Dollars (\$10.00) and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which being hereby acknowledged, the parties hereto agree as follows:

1. Capitalized Terms. All capitalized terms used herein, but not otherwise defined herein, shall have the respective meanings ascribed thereto in the Loan Agreement and, for the purposes of this Agreement, the following capitalized terms shall have the following meanings:

(a) "Camp Hill Membership Interest" means all of Pledgor's -right, title and interest, whether now owned or hereafter acquired, as the sole member of Camp Hill (as evidenced by such certificates or other documents evidencing ownership interest, as applicable, of Camp Hill), or any successor limited liability company or other successor entity, including, without limitation, (i) Pledgor's share of the profits, losses and capital of Camp Hill and the right to vote, if any, and all instruments, whether heretofore or hereafter acquired, evidencing such rights and interests, (ii) all Distributions, (iii) all proceeds (including, without limitation, claims against third parties), products and accessions of the foregoing, (iv) all replacements and substitutions of the foregoing, (v) all books and records (including, without limitation, computerized records, software and disks) relating to any of the foregoing and (vi) all instruments, certificates or other evidence of the foregoing.

(b) "Camp Hill Collateral" means the Camp Hill Membership Interest.

(c) "Distributions" means all distributions (whether in cash or in kind) and all interest on or in respect of, and all proceeds of, any instrument or interest constituting part of the applicable membership interest, of whatever kind or description, real or personal, whether in the ordinary course or in partial or total liquidation or dissolution, or any recapitalization, reclassification of capital, or reorganization or reduction of capital, or otherwise.

(d) "Event of Default" has the meaning ascribed thereto in Section 7 hereof

(e) "Holdings Collateral" means, all Distributions constituting part of the Holdings Membership Interest.

(f) "Holdings Membership Interest " means all of Pledgor's right, title and interest, whether now owned or hereafter acquired, (i) as a member of Holdings (as evidenced by such certificates of shares of stock or other documents evidencing ownership interest, as applicable, of Holdings), or any successor limited liability company or other successor entity, including, without limitation, Pledgor's share of the profits, losses and capital of Holdings, and the right to vote, if any, and all instruments, whether heretofore or hereafter acquired, evidencing such rights and interests, (ii) all Distributions (as hereinafter defined), (iii) proceeds (including, without limitation, claims against third parties), products and accessions of the foregoing, (iv) all replacements and substitutions of the foregoing, and (v) all instruments, certificates or other evidence of the foregoing.

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(g) "Operating Agreements" means, collectively, the Camp Hill Operating Agreement (as defined herein) and the Holdings Operating Agreement.

(h) "Pledged Collateral" means, collectively, the Holdings Collateral and the Camp Hill Collateral.

(i) "Security Interest" has the meaning ascribed thereto in Section 2 hereof

2. Pledge. As security for the Obligations, Pledgor hereby grants to Lender a direct and exclusive first priority perfected, continuing security interest in the Pledged Collateral and in all proceeds thereof and interests thereto, therein and thereon (the "Security Interest"), and is delivering to Lender together herewith UCC financing statements duly executed by Pledgor.

3. Distributions. Prior to the date on which there shall have occurred an Event of Default, Pledgor may receive, expend and further distribute any Distributions, free and clear of the terms hereof and of the security interest created hereby, subject, however, to the applicable terms and provisions of the other Loan Documents. Upon the occurrence of an Event of Default, without presentment, demand, notice or protest of any kind, Pledgor hereby irrevocably authorizes and directs each of Camp Hill and Holdings to distribute, transfer, pay and deliver, in accordance with the Agreements and Acknowledgments of Pledge, the forms of which are attached hereto as Exhibit A (the "Camp Hill Consent") and Exhibit B (the "Holdings Consent" and, together with the Camp Hill Consent, the "Consents"), all Distributions at such time and in such manner as such Distributions would otherwise be distributed, transferred, paid and delivered to Pledgor directly to Lender for application against the Obligations, and agrees, at the request of Lender, to execute and deliver appropriate forms of assignment, UCC financing statements, and other appropriate instruments indicating the Security Interest of Lender in any such Distributions, duly executed by Pledgor as additional collateral security for the Obligations. If Pledgor receives any Distributions upon and after the occurrence of an Event of Default, Pledgor shall accept the same as Lender's agent and hold the same in trust on behalf of and for the benefit of Lender and shall promptly deliver the same forthwith to Lender, together with appropriate forms of assignment, UCC financing statements, and other appropriate instruments indicating the Security Interest of Lender in and to such Distributions, duly executed by Pledgor as additional collateral security for the Obligations. Pledgor authorizes and directs Lender to apply any cash Distributions received by it to the payment of the Obligations in the order of priority elected by Lender. Lender shall not have any liability whatsoever to Pledgor with respect to the Distributions so received, nor shall Lender be liable to Pledgor in any manner with respect to the holding by Lender of any Distributions pursuant to this Agreement, nor shall Lender have any obligation to take any action (including, without limitation, the obtaining of insurance) with respect to any Distributions held by it, except to remit to Pledgor the value thereof in excess of the Obligations.

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4. Voting Rights.

Pledgor hereby assigns to Lender (a) all of its rights under the Camp Hill Certificate of Formation and the Limited Liability Company Agreement of Camp Hill, dated as of November 1, 2002 (as the same may hereafter be amended, modified, supplemented, restated or replaced from time to time, the "Camp Hill Operating Agreement") and (b) all of its rights to vote and give approvals, consents, decisions and directions and exercise any other similar right with respect to any lawful company action in respect of Camp Hill and the Camp Hill Collateral (collectively, the "Voting Rights"), subject to the terms and provisions of this Agreement. Lender shall hold the Voting Rights so transferred

to it under the terms and conditions hereinafter set forth.

(a) Prior to the date upon which there shall have occurred an Event of Default, Pledgor may exercise the Voting Rights; provided, however, that the Voting Rights shall not be exercised in a manner which would violate or be inconsistent with any provision of this Agreement or any other Loan Document. Upon the occurrence of an Event of Default hereunder or under any other Loan Document, Lender shall have the right to exercise, in person or by its nominees or proxies, all Voting Rights transferred to it hereunder and Lender shall have the right (but not the obligation), with respect to any lawful company action for which Voting Rights may be exercised, to exercise the Voting Rights transferred to it by Pledgor in such manner as Lender in its sole discretion shall deem to be in Lender's best interests. Pledgor shall effect the directions of Lender in connection with any such exercise in accordance with this Agreement.

(b) In determining whether Lender is entitled to exercise the Voting Rights hereunder, Camp Hill shall be entitled to rely on a notice from Lender stating that an Event of Default has occurred under the Loan Agreement or any other Loan Document, in which event no further direction from Pledgor shall be required to effect the assignment of Voting Rights hereunder from Pledgor to Lender, and Camp Hill shall immediately permit Lender to exercise all of the Voting Rights in respect of the business and affairs of Camp Hill. Pledgor hereby agrees that Camp Hill shall have any obligation to, and shall not, honor or observe any notice or direction of Pledgor which conflicts with or questions the authority of Lender as set forth in any such Lender's notice delivered pursuant to this Agreement.

(c) Pledgor acknowledges that, except for this Agreement and the Camp Hill Operating Agreement, it has not entered into, and is not bound by the terms of, any agreement or understanding with respect to the purchase, sale, transfer or voting of any Voting Rights.

5. Termination of Agreement. Upon the indefeasible payment and satisfaction in full of the Obligations in accordance with the terms of the Loan Agreement and the other Loan Documents (except for such of the obligations which by the terms upon which such obligations were created survive the payment in full of the Obligations), this Agreement shall immediately cease, terminate and be of no further force or effect (subject to survival of certain matters as provided herein). Thereafter, upon the request of Pledgor and at Pledgor's sole cost and expense, Lender shall deliver to Pledgor a termination of this Agreement

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(subject to survival of certain matters as provided herein), together with appropriate instruments of reassignment as reasonably requested by Pledgor and UCC-3 (or UCC-2, as applicable) termination statements, and to return to Pledgor the balance of the Pledged Collateral, if any, to the extent in Lender's possession, and to the extent the same shall not have been sold or otherwise applied or forfeited pursuant to the terms hereof.

6. Lender's Liability. Neither Lender nor any officer, director, employee or agent of Lender shall be liable for the consequence of any Voting Right cast of given by it in good faith nor have any duty or liability to preserve the Pledgor Collateral or any rights pertaining thereto.

7. Rights of Lender.

(a) Lender shall not be liable for failure to collect or realize upon the Obligations or any collateral security or guarantee therefor, or any part thereof, or for any delay in so doing nor be under any obligation to take any action whatsoever with regard thereto. After an Event of Default has occurred, Lender or its nominee may, without notice, exercise its remedies in accordance with this Agreement, including, without limitation, Section 9 hereof, all without liability except to account for property actually received by Lender or its nominee; provided, however that Lender shall not have any duty to exercise any of the foregoing actions or any liability for failure to do so or delay in so doing.

(b) Pledgor hereby authorizes Lender, but without any obligation so to do, to file all financing and continuation statements and amendments to financing statements (including, without limitation, all UCC and UCC-3 (or UCC-2, as applicable) financing and continuation statements), naming Pledgor as debtor, with respect to any of the security interest granted hereby and the Pledged Collateral (including, without limitation, such as may be necessary to create, renew, extend and continue the perfection of the Security Interest) without the signature of Pledgor or executed by Lender as attorney-in-fact for Pledgor, and consent to a carbon, photocopy or other reproduction of this Agreement or of a financing statement being sufficient as a financing statement.

8. Events of Default. Any one or more of the events or conditions hereinbelow set forth shall constitute an "Event of Default" hereunder:

(a) Failure by Pledgor to duly keep, perform and observe any tenon, condition, covenant or agreement in this Agreement within ten (10) days of Lender's notice thereof; provided, however, that in the event such failure is curable but not

reasonably susceptible of cure within such ten (10) days, and Pledgor commences the cure thereof within such ten (10) days, Pledgor's failure to effect such cure within such ten (10) days shall not constitute an Event of Default if Pledgor diligently prosecutes such cure to completion within thirty (30) days of Lender's notice of such failure.

(b) If, at any time, any representation, warranty or certification made by Pledgor in this Agreement, or in any document delivered pursuant hereto, shall be untrue, incorrect or misleading in any material respect.

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(c) The entry by a court of (i) a decree or order for relief in respect of Pledgor, in an involuntary case or proceeding under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law, or (ii) a decree or order adjudging Pledgor, a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Pledgor, under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of Pledgor, or of any substantial part of the property of, or ordering the winding up or liquidation of the affairs of, Pledgor, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of thirty (30) days.

(d) (i) The commencement by Pledgor of a voluntary case or proceeding under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law, or of any other case or proceeding, to be adjudicated a bankrupt or insolvent, (ii) the consent by Pledgor (A) to the entry of a decree or order for relief in respect of Pledgor, in an involuntary case or proceeding under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law or (B) to the commencement of any bankruptcy or insolvency case or proceeding against Pledgor, (iii) the filing by Pledgor of a petition or answer or consent seeking reorganization or relief under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law, (iv) the consent by Pledgor to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of Pledgor, or of any substantial part of any property of Pledgor, (v) the making by Pledgor of an assignment for the benefit of creditors, or (vi) the admission by Pledgor in writing of its inability to pay its debts generally as they become due.

(e) If, at any time, a judgment shall be rendered against Pledgor which, in Lender's reasonable judgment, will adversely affect the ability of Pledgor to perform any of its obligations under this Agreement or any other Loan Document.

(f) The issuance by any Subsidiary of any class or type of ownership interest of any nature whatsoever to Pledgor or any other Person without the express prior written consent of Lender.

(g) The occurrence of an Event of Default (as defined in the Loan Agreement) under the Loan Agreement.

An Event of Default under any of clauses (a) through (d) immediately above, inclusively, shall constitute an "Event of Default" under all of the other Loan Documents.

9. Remedies. Lender, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Pledgor or any other Person (all and each of which demands, advertisements and/or notices is hereby expressly waived to the extent permitted by applicable law), may, without obligation to resort to other security, and in addition to and not in limitation of any and all other remedies reserved to Lender, hereunder or at law or in equity, forthwith after the occurrence of an Event of Default which is continuing and

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not expressly waived in writing by Lender, collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral and the other rights granted to Lender hereunder, or any part thereof, in one or more parcels at public or private sale or sales, at any exchange, broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as it may reasonably deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale or sales, public or private, to purchase the whole or any part of the Pledged Collateral and the other rights granted to Lender hereunder so sold, free of any right or equity of redemption in Pledgor, which right or equity is hereby expressly waived and released. Lender shall not

be obligated to make any sale of the Pledged Collateral and the other rights granted to Lender hereunder if it shall determine not to do so, regardless of the fact that notice of sale of the Pledged Collateral and the other rights granted to Lender hereunder may have been given. Lender may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case the sale of all or any part of the Pledged Collateral and the other rights granted to Lender hereunder is made on credit or for future delivery, the Pledged Collateral and the other rights granted to Lender hereunder so sold shall be retained by Lender until the sale price is paid by the purchaser or purchasers thereof. Lender shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Pledged Collateral and the other rights granted to Lender hereunder so sold and, in case of any such failure, the Pledged Collateral and the other rights granted to Lender hereunder may be sold again upon like notice. Pledgor hereby waives all rights of marshaling the Pledged Collateral and any other security at any time held by Lender and any right of valuation or appraisal. Lender shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care, safekeeping or otherwise of any and all of the Pledged Collateral and the other rights granted to Lender hereunder or in any way relating to the rights of Lender hereunder, including, without limitation, reasonable attorney's fees and legal expenses, to the payment in whole or in part, of the Obligations together with interest thereon at the Default Rate, and only after so applying such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, the Uniform Commercial Code, need Lender account for the surplus, if any, to Pledgor. Pledgor agrees that Lender need not give more than ten (10) days notice of the time and place of any public sale or of the time and place if any private sale or other intended disposition is to take place and that such notice is commercially reasonable notification of such matters. No notification need be given to Pledgor if any has, after default or otherwise, signed a statement renouncing or modifying any right to notification of sale or other intended disposition. Lender's rights and remedies hereunder are cumulative, at law or in equity, with any and all of Lender's other rights in connection with the Loan and Lender may exercise any of such rights or remedies in any order. In addition to the rights and remedies granted to it in this Agreement and any other instrument securing, evidencing or relating to any of the Obligations, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

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10. Right to Become a Member. In addition to the remedies set forth in Section 9 hereof, upon the occurrence of an Event of Default, to the extent permitted by applicable law, Lender may, by delivering written notice to Camp Hill and to Pledgor, succeed, or designate one or more nominees(s) to succeed, to all right, title and interest of Pledgor (including, without limitation, the right, if any, to vote on or take any action with respect to company matters, as a member of Camp Hill). Pledgor hereby irrevocably authorizes and directs Camp Hill on receipt of any such notice (a) to deem and treat Lender or such nominee in all respects as a member (and not merely as an assignee of a member) of Camp Hill entitled to exercise all the rights, powers and privileges (including, without limitation, the right to vote on or take any action with respect to company matters pursuant to the Camp Hill Certificate of Formation or Camp Hill Operating Agreement, to receive all Distributions, to be credited with the members equity attributable to the Pledged Collateral as is pledged hereby and to have all other rights, powers and privileges appertaining to such interests to which Pledgor would have been entitled had any such membership interest not been transferred to Lender or such nominees(s), and (b) to (i) file an amended Camp Hill Certificate of Formation and/or to amend the Camp Hill Operating Agreement, and/or (ii) execute resolutions and/or consents providing for the issuance of membership interests to Lender or such nominee(s) as a member of Camp Hill in place of Pledgor, all in accordance with the applicable Consent.

11. Representations, Warranties and Covenants of Pledgor. Pledgor hereby represents and warrants to and covenants and agrees with Lender with respect to Pledgor and the Pledged Collateral that:

(a) Pledgor has all requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

(b) This Agreement has been duly authorized, executed and delivered by Pledgor, is the legal, valid and binding obligation of Pledgor, and is enforceable in accordance with its terms, subject, however, to bankruptcy, insolvency and other rights of creditors generally.

(c) The execution, delivery, observance and performance by Pledgor of this Agreement and the transactions contemplated hereby will not result in any violation of either or both of the Certificates of Formation, either or both of the Operating Agreements or of any applicable constitutional provision, law, statute, ordinance, rule or regulation, or of any judgment, decree or order applicable to Pledgor and will not conflict with, or cause a breach of, or

default under, any agreement or other document to which Pledgor, Holdings, Camp Hill or any Affiliate of either of them is a party or, except for the liens created or contemplated hereby, result in the creation of any mortgage, lien, pledge, charge or encumbrance upon any of Pledgor's, Holdings' or Camp Hill's or any of their Affiliates' properties or assets.

(d) It is not necessary for Pledgor, Holdings, Camp Hill or any of their Affiliates to obtain or make any (1) governmental consent, approval or authorization, registration or filing (except for appropriate UCC financing statements) from or with any governmental authorities or (ii) consent, approval, waiver or notification of partners, lenders, mortgagees, creditors, lessors or

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other nongovernmental persons, in each case, in connection with the execution and delivery of this Agreement or the consummation of the transactions herein presently contemplated which has not been obtained.

(e) Pledgor is as of the date hereof (i) the sole equity member of Holdings, (ii) the sole member of Camp Hill and (iii) the sole owner of the Pledged Collateral. Pledgor owns the Pledged Collateral, and the Pledged Collateral is and shall remain, free and clear of any lien, mortgage, encumbrance, charge, pledge, security interest, or claim of any kind (including, without limitation, any unconditional sale or other title retention agreement) other than as created by this Agreement or the other Loan Documents.

(f) This Agreement, together with the filing of necessary UCC financing statements in the appropriate jurisdiction in each state where Pledgor resides or has its principal office, as the case may be, creates a perfected first priority, continuing security interest of Lender in the Pledged Collateral, except to the extent of Pledged Collateral in the form of cash.

(g) Pledgor covenants and agrees that Pledgor shall defend, at Pledgor's sole cost and expense, Lender's right, title and Security Interest in and to the Pledged Collateral, created pursuant hereto, against the claims and demands of all persons whomsoever.

12. No Disposition. Pledgor agrees that, except as permitted under the Loan Agreement, without the prior written consent of Lender, Pledgor shall not sell, assign, transfer, exchange, encumber or otherwise dispose of, or grant any option with respect to, the Pledged Collateral, nor shall it create, incur or permit to exist any security interest with respect to any of the Pledged Collateral, or any interest therein, or any proceeds thereof, except for the Security Interest provided for by this Agreement.

13. Other Members Shall Join. Every member hereinafter admitted to Holdings and/or Camp Hill, as applicable, as a successor or additional member shall, as a condition thereto, join in this Agreement and agrees to be bound by the terms and provisions hereof, pursuant to a written joinder and assumption agreement in form and substance satisfactory to Lender, and execute and deliver appropriate forms of assignment, UCC financing statements, and other appropriate instruments indicating the Security Interest of Lender in such member's portion of the Pledged Collateral. The failure of any new member to execute and deliver the same prior to its admission as a member in Holdings and/or Camp Hill, as applicable, shall constitute an Event of Default under the terms and provisions of the Loan Documents.

14. Assignment; Participation.

(a) Lender may assign any or all of its right, title and interest in and to the Obligations and may transfer therewith any and all its right, title and interest in and to the Pledged Collateral and the other rights granted to Lender hereunder therefor and the transferee shall have the same right with respect thereto as has Lender. Upon such transfer, Lender shall be released and fully discharged from all liability and responsibility for the Distributions and the other rights granted to Lender hereunder so transferred.

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(b) Lender may from time to time sell or otherwise grant participations in any of the Obligations and the holder of any such participation shall, subject to the terms of any agreement between Lender and such holder, be entitled to the same benefits as Lender with respect to any of the Pledged Collateral and the other rights granted to Lender hereunder for the Obligations in which such holder is a participant.

15. Reimbursement of Lender.

(a) Pledgor hereby agrees to indemnify and hold harmless Lender (to the full extent permitted by law) from and against any and all claims, demands, losses, judgments and liabilities (including, without limitation, liabilities for penalties) of whatever nature arising out of or in connection with this Agreement or the administration or enforcement of any right or remedy granted to Lender hereunder, except and to the limited extent that any such claims,

demands, losses, judgments, and liabilities are determined by a final nonappealable judgment of a court of competent jurisdiction to have been caused solely by Lender's gross negligence or willful misconduct. Any amounts which may become payable by Pledgor pursuant to the foregoing indemnity shall be added to its obligations hereunder and to the Obligations. In no event shall Lender be liable to Pledgor for any matter or thing in connection with this Agreement other than to account for moneys actually received by Lender in accordance with the terms hereof.

(b) If Pledgor shall fail to do any act or thing which Pledgor has covenanted to do hereunder or if any representation or warranty of Pledgor shall be breached, Lender may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach and there shall be added to the obligations hereunder and to the Obligations the reasonable cost or expense incurred by Lender in so doing.

(c) Pledgor shall be liable for any and all costs incurred by Lender in taking any action pursuant to this Agreement against Pledgor or to enforce any of Lender's rights hereunder against Pledgor and all such costs and expenses, including, without limitation, reasonable attorneys' fees, expenses and disbursements, shall be repayable to Lender upon its demand therefor and shall bear interest from the date advanced to the date of repayment at the Default Rate, which costs and expenses shall be added to the obligations hereunder and to the Obligations.

(c) All indemnities and agreements contained in this Section 14 shall survive the expiration or termination of this Agreement, subject only to the provisions of Section 15 hereof.

16. No Waiver of Rights by Lender. Nothing herein shall be deemed (a) to be a waiver of any right which Lender may have under the Bankruptcy Code or the bankruptcy laws of any State to file a claim for the then outstanding amount of the Loan or to require that all of the Pledged Collateral shall continue to secure all of the Obligations, (b) to impair the validity of the Loan, the Loan Agreement, the Note or any other Loan Document or other document or instrument delivered to Lender in connection therewith, or (c) to impair the right of Lender to commence an action to foreclose any lien or security interest. Nothing herein shall be deemed to be a waiver of any right which Lender may have under

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Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of the indebtedness of the Loan and other amounts due under this Agreement, the Loan Agreement, the Note or the other Loan Documents or to require that all of the Pledged Collateral shall continue to secure the Obligations.

17. Further Assurances. Pledgor agrees that at any time and from time to time upon the written request of Lender, Pledgor shall execute and deliver such further documents and do such further acts and things at Pledgor's cost and expense as Lender may reasonably request in order to effectuate the intent and purposes of this Agreement.

18. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

18. No Waiver; Cumulative Remedies. Lender shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder and no waiver shall be valid unless in writing and signed by Lender, and then only to the extent therein set forth. A waiver by Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Lender would otherwise have on any future occasion. Neither any failure to exercise nor any delay in exercising on the part of Lender any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, under this Agreement or an related document preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights or remedies provided by law.

19. Waivers, Assignments; Integration. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing duly executed by Lender and Pledgor. This Agreement and all obligations, rights and remedies of Pledgor hereunder shall inure to the benefit of and be binding upon Pledgor and its respective permitted successors, transferees and assigns. This Agreement and all the rights and remedies of Lender hereunder shall inure to the benefit of and be binding upon Lender, and its respective successors, endorsers, participants, transferees and assigns. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, understandings and representations of the parties relating thereto. Lender shall have no duty or

liability to preserve the Distributions or any rights pertaining thereto.

21. Notices. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties to this Agreement by any of the other, or whenever any of the parties hereto desires to give or serve upon any other any communications with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing, and shall be deemed to have been duly given only (a) when delivered, if sent by registered or certified mail (return receipt requested), (b) when delivered, if delivered personally, (c) when transmitted, if sent by facsimile if a confirmation of transmission is produced by the sending machine (and a copy of each facsimile is promptly sent by any of the other methods for giving notice hereunder) or (d) on the following Business Day, if sent by overnight mail or reputable overnight courier, in each case to the parties at the following addresses or facsimile numbers:

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(a) if to Lender:
SWH Funding Corp.
Two University Plaza
Hackensack, New Jersey 07601
Attention: Sanford S. Herrick
Facsimile: (201) 343-1523

with a copy to:
Solomon and Weinberg LLP
685 Third Avenue
30th Floor
New York, New York 10017
Attention: Jay Stark, Esq.
Facsimile: (212) 605-0999

(b) if to Pledgor:

Cedar Income Fund Partnership, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Brenda J. Walker
Facsimile: (516) 767-6497

with a copy to:

Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Stuart H. Widowski, Esq.
Facsimile: (516) 767-6497

or at such other address or facsimile number as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication within any corporation or firm to the persons designated to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication. The parties agree that their respective counsel shall be authorized to serve notices on behalf of such parties.

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22. Power of Attorney. Pledgor hereby appoints Lender as its attorney-in-fact to execute and file, effective upon the occurrence of any Event of Default hereunder, on the behalf of Pledgor, any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts and other obligations secured hereby have been paid, satisfied and discharged in full. Pledgor acknowledges and agrees that the exercise by Lender of its rights under this Section 22 shall not be deemed a satisfaction of the amounts owed Lender unless Lender so elects in writing.

23. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto executed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

24. Governing Law; Jurisdiction; Venue; Service of Process.

(a) THIS AGREEMENT WAS NEGOTIATED, EXECUTED AND DELIVERED IN THE STATE OF NEW YORK. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE STATE OF

NEW YORK'S PRINCIPLES OF CONFLICTS OF LAW, EXCEPT THAT IT IS THE INTENT AND PURPOSE OF LENDER AND PLEDGOR THAT THE PROVISIONS OF SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK SHALL APPLY TO THIS AGREEMENT.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT SHALL BE BROUGHT, AT LENDER'S OPTION, IN THE COURTS OF THE STATE OF NEW YORK, NEW YORK COUNTY OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK EXCEPT SUCH ACTIONS OR PROCEEDINGS ARE REQUIRED TO BE BROUGHT IN ANOTHER COURT TO OBTAIN SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. PLEDGOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. PLEDGOR IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO PLEDGOR AT PLEDGOR'S ADDRESS SET FORTH IN THE INTRODUCTORY PARAGRAPH HEREOF, WHICH SERVICE SHALL BE DEEMED SUFFICIENT FOR PERSONAL JURISDICTION AND SHALL BE DEEMED EFFECTIVE SEVEN (7) DAYS AFTER MAILING. PLEDGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT IN THE COURTS REFERRED TO ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST PLEDGOR IN ANY OTHER JURISDICTION.

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(e) PLEDGOR HEREBY EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY LENDER UNDER THIS AGREEMENT ANY AND EVERY RIGHT PLEDGOR MAY HAVE TO (A) A TRIAL BY JURY, (B) INTERPOSE ANY COUNTERCLAIM THEREIN (EXCEPT FOR ANY COMPULSORY COUNTERCLAIM WHICH, IF NOT ASSERTED IN SUCH PROCEEDING, WOULD BE WAIVED) AND (C) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Pledgor has executed and delivered this Agreement as of the date first above written.

CEDAR INCOME FUND PARTNERSHIP, L.P.,
a Delaware limited partnership

By: Cedar Income Fund, Ltd.,
a Maryland corporation,
General Partner

By: _____

Name: Leo S. Ullman
Title: President

ACCEPTED AND AGREED TO
THIS 22 DAY OF NOVEMBER, 2002:

CEDAR CENTER HOLDINGS, L.L.C. 3,
a Delaware limited liability company

By: Cedar Income Fund Partnership, L.P.,
a Delaware limited partnership,
Managing Member

By: Cedar Income Fund, Ltd.,
a Maryland corporation,
General Partner

By: _____

Name: Leo S. Ullman
Title: President

[SIGNATURE PAGE CONTINUED ON FOLLOWING PAGE]

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a Delaware limited liability company,

By: Cedar Income Fund Partnership, L.P.,
a Delaware limited partnership,
Managing Member

By: Cedar Income Fund, Ltd.,
a Maryland corporation,
General Partner

By: _____
Name: Leo S. Ullman
Title: President

ACKNOWLEDGMENT

Within New York:

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

On the 20 day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Leo S. Ullman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Charisa J. Goodman
Notary Public, State of New York

No. 01G05077989

Qualified In New York County Commission Expires May 19, 2003

Outside New York:

STATE OF)
) SS.:
COUNTY OF)

On the day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the

Notary Public (SEAL)

ACKNOWLEDGMENT

Within New York:

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

On the 20 day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Leo S. Ullman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Charisa J. Goodman
Notary Public, State of New York

No. 01G05077989

Qualified In New York County Commission Expires May 19, 2003

Outside New York:

STATE OF)
) SS.:
COUNTY OF)

On the day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the

Notary Public (SEAL)

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ACKNOWLEDGMENT

Within New York:

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

On the 20 day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Leo S. Ullman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Charisa J. Goodman
Notary Public, State of New York

No. 01G05077989

Qualified In New York County Commission Expires May 19, 2003

Outside New York:

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

On the day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she/he executed the same in her/his capacity, and that by her/his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the

Notary Public (SEAL)

EXHIBIT A

FORM OF AGREEMENT AND ACKNOWLEDGMENT OF PLEDGE HOLDINGS AGREEMENT AND
ACKNOWLEDGMENT OF PLEDGE

The undersigned hereby agrees, acknowledges and consents as of the day of November, 2002, to the execution and delivery to SWH FUNDING CORP., a New Jersey corporation (together with its successors, assigns and participants, "Lender"), of that certain Pledge and Security Agreement by CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Pledgor"), as of even date herewith (the "Pledge"), as collateral security for the payment and performance of the Obligations (as defined in the Pledge) under the Pledgor Guaranty (as defined in the Pledge), and the assignment and pledge under the Pledge to Lender by Pledgor of all of its right, title and interest in and to the Pledged Collateral (as defined in the Pledge) which includes, inter ail, the Holdings Collateral (as defined in the Pledge). All capitalized terms used herein, but not otherwise defined herein, shall have the meanings ascribed to such terms in the Pledge.

The undersigned shall cause all of its books and records to reflect the pledge by Pledgor of the Holdings Collateral to Lender and agrees not to consent to or to permit any transfer of the Holdings Collateral or any other action that may be taken by Pledgor that might constitute a breach of any term or condition of the Pledge or any Event of Default so long as any Obligations remain outstanding, except in accordance with and subject to the terms and conditions of the Pledge. The undersigned represents and warrants that (a) the execution and delivery of the Pledge does not violate any of the undersigned's organizational documents or any other agreement to which the undersigned is a party or by which any of the property of the undersigned is bound, (b) Pledgor's ownership interest in the undersigned is as set forth in the Pledge and such ownership interest in the undersigned is not subject to any claim, lien or encumbrance whatsoever of any kind or nature, and (c) the undersigned does not have any claim, right of offset, or counterclaim against Pledgor or with respect to the Holdings Collateral or otherwise under any of the undersigned's organizational documents, and Pledgor is not in default to the undersigned or otherwise under or in respect of any of its obligations under any of the undersigned's organizational documents. The undersigned agrees that Lender and/or its representatives may at any time during reasonable business hours inspect the books, records and properties of the undersigned, and the undersigned shall, so long as any Obligations remain outstanding, at least five (5) Business Days prior to the time any Holdings Collateral are proposed to be made, give written notice thereof to Lender as provided in the Pledge.

Notwithstanding the security interests of Lender in the Holdings Collateral, Lender shall have no obligation or liability whatsoever to the undersigned, or any member thereof, or any creditor or other person having any relationship, contractual or otherwise, with the undersigned, nor shall Lender be obligated to perform any of the obligations or duties of Pledgor under any of the undersigned's organizational documents, or to take any action to collect or enforce any claim for payment due Pledgor arising thereunder. The undersigned

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acknowledges that the security interests of Lender in the Holdings Collateral and all of Lender's rights and remedies under the Pledge may be transferred or assigned by Lender to the extent permitted by the Pledge. In the event of any such transfer or assignment, all of the provisions of this Agreement and Acknowledgment of Pledge shall inure to the benefit of the transferees, successors, assigns and/or participants of Lender. The provisions of this Agreement and Acknowledgment of Pledge shall likewise be binding upon any and all permitted successors and/or assigns of the undersigned.

The undersigned hereby agrees that it shall comply with all written instructions originated by Lender concerning the Holdings Collateral and the rights of Lender granted under the Pledge, in accordance with the Pledge, without further consent of Pledgor and that, during the existence of an Event of Default, (a) all Distributions with respect to the Holdings Collateral will be paid directly to Lender until the Obligations have been paid and/or satisfied in full, (b) Lender shall have the sole and exclusive right to exercise all powers of ownership pertaining to such Holdings Collateral and the rights of Lender granted under the Pledge and (c) Lender may take any reasonable action which Lender may deem necessary for the maintenance, preservation and protection of any of the Holdings Collateral and the rights of Lender granted under the Pledge or Lender's security interests therein, including, without limitation, the right to declare any or all Obligations to be immediately due and payable without demand or notice and the right to transfer any of the Holdings Collateral and the rights of Lender granted under the Pledge into Lender's name or the name of any designee or nominee of Lender.

The undersigned shall, from time to time, at the undersigned's expense, promptly execute and deliver such further instruments, documents and agreements, and perform such further acts as may be necessary or proper to carry out and effect the terms of the Pledge and this Agreement and Acknowledgment of Pledge.

This Agreement and Acknowledgment of Pledge shall constitute a "control agreement" under the revised Article 9 of the Uniform Commercial Code and is being given to induce Lender to accept the Pledge and to make the Loan and with the understanding that Lender will rely hereon. This Agreement and Acknowledgment of Pledge is being given to induce Lender to accept the Pledge and to make the Loan and with the understanding that Lender will rely hereon.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the undersigned has caused this Agreement and Acknowledgment of Pledge to be duly executed and delivered as of the date first above written.

CEDAR CENTER HOLDINGS, L.L.C. 3,
a Delaware limited liability company

By: Cedar Income Fund Partnership, L.P.,
a Delaware limited partnership,
Managing Member

By: Cedar Income Fund, Ltd.,
a Maryland corporation,
General Partner

By: _____
Name:
Title:

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EXHIBIT B FORM OF AGREEMENT AND ACKNOWLEDGMENT OF PLEDGE CAMP HILL AGREEMENT AND ACKNOWLEDGMENT OF PLEDGE

The undersigned hereby agrees, acknowledges and consents as of the _____ day of November, 2002, to the execution and delivery to SWH FUNDING CORP., a New Jersey corporation (together with its successors, assigns and participants, "Lender"), of that certain Pledge and Security Agreement by CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Pledgor"), as of even date herewith (the "Pledge"), as collateral security for the payment and performance of the Obligations (as defined in the Pledge) under the Pledgor Guaranty (as defined in the Pledge), and the assignment and pledge under the Pledge to Lender by Pledgor of all of its right, title and interest in and to the Pledged Collateral (as defined in the Pledge) including, inter ail, the Camp Hill Collateral (as defined in the Pledge). All capitalized terms used herein, but not otherwise defined herein, shall have the meanings ascribed to such terms in the Pledge. The undersigned shall cause all of its books and records to reflect the pledge by Pledgor of the Camp Hill Collateral to Lender and agrees not to consent to or to permit any transfer of the Camp Hill Collateral or any other action that may be taken by Pledgor that might constitute a breach of any tenor or condition of the Pledge or any Event of Default so long as any Obligations remain outstanding, except in accordance with and subject to the terms and conditions of the Pledge. The undersigned represents and warrants that (a) the execution and delivery of the Pledge does not violate any of the undersigned's organizational documents or any other agreement to which the undersigned is a party or by which any of the property of the undersigned is bound, (b) Pledgor's ownership interest in the undersigned is as set forth in the Pledge and such ownership interest in the undersigned is not subject to any claim, lien or encumbrance whatsoever of any kind or nature, and (c) the undersigned does not have any claim, right of offset, or counterclaim against Pledgor or with respect to the Camp Hill Collateral or otherwise under any of the undersigned's organizational documents, and Pledgor is not in default to the undersigned or otherwise under or in respect of any of its obligations under any of the undersigned's organizational documents. The undersigned agrees that Lender and/or its representatives may at any time during reasonable business hours inspect the books, records and properties of the undersigned, and the undersigned shall, so long as any Obligations remain outstanding, at least five (5) Business Days prior to the time any Camp Hill Collateral are proposed to be made, give written notice thereof to Lender as provided in the Pledge. Notwithstanding the security interests of Lender in the Camp Hill Collateral, Lender shall have no obligation or liability whatsoever to the undersigned, or any member thereof, or any creditor or other person having any relationship,

contractual or otherwise, with the undersigned, nor shall Lender be obligated to

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perform any of the obligations or duties of Pledgor under any of the undersigned's organizational documents, or to take any action to collect or enforce any claim for payment due Pledgor arising thereunder. The undersigned acknowledges that the security interests of Lender in the Camp Hill Collateral and all of Lender's rights and remedies under the Pledge may be transferred or assigned by Lender to the extent permitted by the Pledge. In the event of any such transfer or assignment, all of the provisions of this Agreement and Acknowledgment of Pledge shall inure to the benefit of the transferees, successors, assigns and/or participants of Lender. The provisions of this Agreement and Acknowledgment of Pledge shall likewise be binding upon any and all permitted successors and/or assigns of the undersigned. The undersigned hereby agrees that it shall comply with all written instructions originated by Lender concerning the Camp Hill Collateral and the rights of Lender granted under the Pledge, in accordance with the Pledge, without further consent of Pledgor and that, during the existence of an Event of Default, (a) all Distributions with respect to the Camp Hill Collateral will be paid directly to Lender until the Obligations have been paid and/or satisfied in full, (b) Lender shall have the sole and exclusive right to exercise all powers of ownership pertaining to such Camp Hill Collateral and the rights of Lender granted under the Pledge and (c) Lender may take any reasonable action which Lender may deem necessary for the maintenance, preservation and protection of any of the Camp Hill Collateral and the rights of Lender granted under the Pledge or Lender's security interests therein, including, without limitation, the right to declare any or all Obligations to be immediately due and payable without demand or notice and the right to transfer any of the Camp Hill Collateral and the rights of Lender granted under the Pledge into Lender's name or the name of any designee or nominee of Lender.

The undersigned shall, from time to time, at the undersigned's expense, promptly execute and deliver such further instruments, documents and agreements, and perform such further acts as may be necessary or proper to carry out and effect the terms of the Pledge and this Agreement and Acknowledgment of Pledge. This Agreement and Acknowledgment of Pledge shall constitute a "control agreement" under the revised Article 9 of the Uniform Commercial Code and is being given to induce Lender to accept the Pledge and to make the Loan and with the understanding that Lender will rely hereon. This Agreement and Acknowledgment of Pledge is being given to induce Lender to accept the Pledge and to make the Loan and with the understanding that Lender will rely hereon.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the undersigned has caused this Agreement and Acknowledgment of Pledge to be duly executed and delivered as of the date first above written.

CEDAR CAMP HILL LLC,
a Delaware limited liability company,

By: Cedar Income Fund Partnership, L.P.,
a Delaware limited partnership,
Managing Member

By: Cedar Income Fund, Ltd.,
a Maryland corporation,
General Partner

By: _____
Name:
Title:

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AGREEMENT AND ACKNOWLEDGMENT OF PLEDGE

The undersigned hereby agrees, acknowledges and consents as of the 22 day of November, 2002, to the execution and delivery to SWH FUNDING CORP., a New Jersey corporation (together with its successors, assigns and participants, "Lender"), of that certain Pledge and Security Agreement by CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Pledgor"), as of even date herewith (the "Pledge"), as collateral security for the payment and performance of the Obligations (as defined in the Pledge) under the Pledgor Guaranty (as defined in the Pledge), and the assignment and pledge under the Pledge to Lender by Pledgor of all of its right, title and interest in and to the Pledged Collateral (as defined in the Pledge) which includes, inter alia, the Holdings Collateral (as defined in the Pledge). All capitalized terms used herein, but not otherwise defined herein, shall have the meanings ascribed to such terms in the Pledge.

The undersigned shall cause all of its books and records to reflect the pledge by Pledgor of the Holdings Collateral to Lender and agrees not to consent to or to permit any transfer of the Holdings Collateral or any other action that may be taken by Pledgor that might constitute a breach of any term or condition of the Pledge or any Event of Default so long as any Obligations remain outstanding, except in accordance with and subject to the terms and conditions of the Pledge. The undersigned represents and warrants that (a) the execution and delivery of the Pledge does not violate any of the undersigned's organizational documents or any other agreement to which the undersigned is a party or by which any of the property of the undersigned is bound, (b) Pledgor's ownership interest in the undersigned is as set forth in the Pledge and such ownership interest in the undersigned is not subject to any claim, lien or encumbrance whatsoever of any kind or nature, and (c) the undersigned does not have any claim, right of offset, or counterclaim against Pledgor or with respect to the Holdings Collateral or otherwise under any of the undersigned's organizational documents, and Pledgor is not in default to the undersigned or otherwise under or in respect of any of its obligations under any of the undersigned's organizational documents. The undersigned agrees that Lender and/or its representatives may at any time during reasonable business hours inspect the books, records and properties of the undersigned, and the undersigned shall, so long as any Obligations remain outstanding, at least five (5) Business Days prior to the time any Holdings Collateral are proposed to be made, give written notice thereof to Lender as provided in the Pledge.

Notwithstanding the security interests of Lender in the Holdings Collateral, Lender shall have no obligation or liability whatsoever to the undersigned, or any member thereof, or any creditor or other person having any relationship, contractual or otherwise, with the undersigned, nor shall Lender be obligated to perform any of the obligations or duties of Pledgor under any of the undersigned's organizational documents, or to take any action to collect or enforce any claim for payment due Pledgor arising thereunder. The undersigned acknowledges that the security interests of Lender in the Holdings Collateral and all of Lender's rights and remedies under the Pledge may be transferred or assigned by Lender to the extent permitted by the Pledge. In the event of any such transfer or assignment, all of the provisions of this Agreement and Acknowledgment of Pledge shall inure to the benefit of the transferees, successors, assigns and/or participants of Lender. The provisions of this Agreement and Acknowledgment of Pledge shall likewise be binding upon any and all permitted successors and/or assigns of the undersigned.

The undersigned hereby agrees that it shall comply with all written instructions originated by Lender concerning the Holdings Collateral and the rights of Lender granted under the Pledge, in accordance with the Pledge, without further consent of Pledgor and that, during the existence of an Event of Default, (a) all Distributions with respect to the Holdings Collateral will be paid directly to Lender until the Obligations have been paid and/or satisfied in full, (b) Lender shall have the sole and exclusive right to exercise all powers of ownership pertaining to such Holdings Collateral and the rights of Lender granted under the Pledge and (c) Lender may take any reasonable action which Lender may deem necessary for the maintenance, preservation and protection of any of the Holdings Collateral and the rights of Lender granted under the Pledge or Lender's security interests therein, including, without limitation, the right to declare any or all Obligations to be immediately due and payable without demand or notice and the right to transfer any of the Holdings Collateral and the rights of Lender granted under the Pledge into Lender's name or the name of any designee or nominee of Lender.

The undersigned shall, from time to time, at the undersigned's expense, promptly execute and deliver such further instruments, documents and agreements, and perform such further acts as may be necessary or proper to carry out and effect the terms of the Pledge and this Agreement and Acknowledgment of Pledge.

This Agreement and Acknowledgment of Pledge shall constitute a "control agreement" under the revised Article 9 of the Uniform Commercial Code and is being given to induce Lender to accept the Pledge and to make the Loan and with the understanding that Lender will rely hereon. This Agreement and Acknowledgment of Pledge is being given to induce Lender to accept the Pledge

and to make the Loan and with the understanding that Lender will rely hereon.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has caused this Agreement and Acknowledgment of Pledge to be duly executed and delivered as of the date first above written.

CEDAR CENTER HOLDINGS, L.L.C. 3,
a Delaware limited liability company

By: Cedar Income Fund Partnership, L.P.,
a Delaware limited partnership,
Managing Member

By: Cedar Income Fund, Ltd.,
a Maryland corporation,
General Partner

By:

Name: Leo S. Ullman
Title: President

AGREEMENT AND ACKNOWLEDGMENT OF PLEDGE

The undersigned hereby agrees, acknowledges and consents as of the 22 day of November, 2002, to the execution and delivery to SWH FUNDING CORP., a New Jersey corporation (together with its successors, assigns and participants, "Lender"), of that certain Pledge and Security Agreement by CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Pledgor"), as of even date herewith (the "Pledge"), as collateral security for the payment and performance of the Obligations (as defined in the Pledge) under the Pledgor Guaranty (as defined in the Pledge), and the assignment and pledge under the Pledge to Lender by Pledgor of all of its right, title and interest in and to the Pledged Collateral (as defined in the Pledge) including, inter alia, the Camp Hill Collateral (as defined in the Pledge). All capitalized terms used herein, but not otherwise defined herein, shall have the meanings ascribed to such terms in the Pledge.

The undersigned shall cause all of its books and records to reflect the pledge by Pledgor of the Camp Hill Collateral to Lender and agrees not to consent to or to permit any transfer of the Camp Hill Collateral or any other action that may be taken by Pledgor that might constitute a breach of any term or condition of the Pledge or any Event of Default so long as any Obligations remain outstanding, except in accordance with and subject to the terms and conditions of the Pledge. The undersigned represents and warrants that (a) the execution and delivery of the Pledge does not violate any of the undersigned's organizational documents or any other agreement to which the undersigned is a party or by which any of the property of the undersigned is bound, (b) Pledgor's ownership interest in the undersigned is as set forth in the Pledge and such ownership interest in the undersigned is not subject to any claim, lien or encumbrance whatsoever of any kind or nature, and (c) the undersigned does not have any claim, right of offset, or counterclaim against Pledgor or with respect to the Camp Hill Collateral or otherwise under any of the undersigned's organizational documents, and Pledgor is not in default to the undersigned or otherwise under or in respect of any of its obligations under any of the undersigned's organizational documents. The undersigned agrees that Lender and/or its representatives may at any time during reasonable business hours inspect the books, records and properties of the undersigned, and the undersigned shall, so long as any Obligations remain outstanding, at least five (5) Business Days prior to the time any Camp Hill Collateral are proposed to be made, give written notice thereof to Lender as provided in the Pledge.

Notwithstanding the security interests of Lender in the Camp Hill Collateral, Lender shall have no obligation or liability whatsoever to the undersigned, or any member thereof, or any creditor or other person having any relationship, contractual or otherwise, with the undersigned, nor shall Lender be obligated to perform any of the obligations or duties of Pledgor under any of the undersigned's organizational documents, or to take any action to collect or enforce any claim for payment due Pledgor arising thereunder. The undersigned acknowledges that the security interests of Lender in the Camp Hill Collateral and all of Lender's rights and remedies under the Pledge may be transferred or assigned by Lender to the extent permitted by the Pledge. In the event of any such transfer or assignment, all of the provisions of this Agreement and Acknowledgment of Pledge shall inure to the benefit of the transferees, successors, assigns and/or participants of Lender. The provisions of this Agreement and Acknowledgment of Pledge shall likewise be binding upon any and all permitted successors and/or assigns of the undersigned.

The undersigned hereby agrees that it shall comply with all written instructions originated by Lender concerning the Camp Hill Collateral and the rights of Lender granted under the Pledge, in accordance with the Pledge, without further consent of Pledgor and that, during the existence of an Event of Default, (a) all Distributions with respect to the Camp Hill Collateral will be paid directly to Lender until the Obligations have been paid and/or satisfied in full, (b) Lender shall have the sole and exclusive right to exercise all powers of ownership pertaining to such Camp Hill Collateral and the rights of Lender granted under the Pledge and (c) Lender may take any reasonable action which Lender may deem necessary for the maintenance, preservation and protection of any of the Camp Hill Collateral and the rights of Lender granted under the Pledge or Lender's security interests therein, including, without limitation, the right to declare any or all Obligations to be immediately due and payable without demand or notice and the right to transfer any of the Camp Hill Collateral and the rights of Lender granted under the Pledge into Lender's name or the name of any designee or nominee of Lender.

The undersigned shall, from time to time, at the undersigned's expense, promptly execute and deliver such further instruments, documents and agreements, and perform such further-acts as may be necessary or proper to carry out and effect the terms of the Pledge and this Agreement and Acknowledgment of Pledge.

This Agreement and Acknowledgment of Pledge shall constitute a "control agreement" under the revised Article 9 of the Uniform Commercial Code and is being given to induce Lender to accept the Pledge and to make the Loan and with the understanding that Lender will rely hereon. This Agreement and Acknowledgment of Pledge is being given to induce Lender to accept the Pledge and to make the Loan and with the understanding that Lender will rely hereon.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has caused this Agreement and Acknowledgment of Pledge to be duly executed and delivered as of the date first above written.

CEDAR CAMP HILL LLC,
a Delaware limited liability company,

By: Cedar Income Fund Partnership, L.P.,
a Delaware limited partnership,
Managing Member

By: Cedar Income Fund, Ltd.,
a Maryland corporation,
General Partner

By:

Name: Leo S. Ullman
Title: President

GUARANTY

Dated as of November 22, 2002

Made By CEDAR INCOME FUND, LTD.,

as Guarantor

in favor of

SWH FUNDING CORP.,

as Lender

GUARANTY

THIS GUARANTY (this "Guaranty"), dated as of November 22, 2002, is made by CEDAR INCOME FUND, LTD., a Maryland corporation, having an address at 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050 ("Guarantor"), in favor of SWH FUNDING CORP., a New Jersey corporation, having an office at Two University Plaza, Hackensack, New Jersey 07601 (together with its successors, assigns and participants, "Lender").

WITNESSETH:

WHEREAS, Lender has made or is about to make a loan in the original principal amount of \$6,000,000.00 (collectively, the "Loan") to Cedar Income Fund Partnership, L.P., a Delaware limited partnership ("Borrower"), pursuant to a certain Loan Agreement, as of even date herewith, between Lender and Borrower (as the same may be amended, supplemented, extended, modified, restated or replaced from time to time, the "Loan Agreement"), which Loan is or will be (a) evidenced by the Note made by Borrower to the order of Lender in the original principal amount of the Loan and (b) secured by, inter alia, a pledge of Borrower's 100% membership interest in Cedar-Camp Hill, LLC, a Delaware limited company; and

WHEREAS, the Guarantor is the sole general partner of Borrower and will, therefore, derive material direct and indirect economic and other benefits from Lender making the Loan to Borrower; and

WHEREAS, Guarantor acknowledges its receipt and approval of copies of the Loan Agreement, the Note and all other Loan Documents (as defined in the Loan Agreement); and

WHEREAS, to induce Lender to make the Loan to Borrower, Guarantor has agreed to enter into this Guaranty, Guarantor acknowledging that, without this Guaranty, Lender would be unwilling to make the Loan.

NOW, THEREFORE, in consideration of the Loan, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. Definitions. All capitalized terms used herein, but not otherwise defined herein, shall have the respective meanings ascribed to such terms in the Loan Agreement.

2. Guaranty Obligations. Guarantor hereby unconditionally, absolutely and irrevocably, as a primary obligor and not merely as a surety guarantees to Lender the punctual and complete (a) payment in full (and not merely the collectibility) of and shall pay or cause to be paid to Lender when due pursuant to the Loan Documents (i) all installments of interest on the Outstanding Principal Balance in accordance with the terms and conditions of the Loan Agreement, the Note and the other Loan Documents, whether at the Basic Interest Rate, the Default Rate or any other rate, as applicable, specified in the Loan Agreement, the Note and the other Loan Documents, (ii) the Outstanding Principal Balance, whether at the stated maturity of the Loan, upon acceleration or otherwise and at all times thereafter, (iii) all transfer, stamp or other fees or taxes levied on the holder of the Note by reason of the making of the Note or the recording or filing of any Loan Document, (iv) the Exit Fee, all Late Charges, if any, and other amounts due and payable by Borrower to Lender pursuant to the Loan Agreement, the Note and the other Loan Documents, (v) all transfer, stamp, recording or filing or other fees or taxes and other costs and expenses imposed upon foreclosure of any of the Collateral, or the conveyance or transfer or all or any part of the Collateral to Lender or its nominee in lieu thereof, or otherwise and (vi) any and all costs and expenses, (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Lender in enforcing, obtaining advice of counsel with respect to, or collecting any or all of the foregoing under the Loan Documents or Guarantor under this Guaranty and (b) performance of, and shall cause to be performed, all other

Obligations as and when required pursuant to the Loan Documents (such obligation to guaranty payment and performance pursuant to this Section 2 being referred to herein as the "Guaranty Obligations").

3. Unconditional and Absolute Guaranty

(a) Guarantor guarantees that the Obligations shall be paid and/or performed strictly in accordance with the Loan Agreement, the Note and the other Loan Documents, regardless of any law, statute, rule, regulation, decree or order now or hereafter in effect in any jurisdiction affecting or purporting to affect in any manner any of such terms or the rights or remedies of Lender with respect thereto regardless of any law, statute, rule, regulation, decree or order now or hereafter in effect in any jurisdiction affecting or purporting to affect in any manner any of such terms or the rights, powers or remedies of Lender with respect thereto.

(b) Any payment or payments made by Borrower or any other Person or received or collected by Lender from Borrower or any other Person by virtue of any action or proceeding or any other set-off or appropriation or application at any time or from time to time in respect of any indebtedness, obligations or liabilities of Borrower or any other Person under the Loan Agreement, the Note or the other Loan Documents may be applied by Lender in satisfaction of such indebtedness, obligations and liabilities in such order as Lender may determine in accordance with the Note and the other Loan Documents, and no application of such payment or payments to satisfaction of indebtedness, obligations or liabilities other than the Obligations shall discharge in any manner any obligations of Guarantor hereunder.

(c) The liability of Guarantor under this Guaranty shall be absolute and unconditional, and shall not be affected, released, terminated, discharged or impaired, in whole or in part, by, and Lender may proceed to exercise any right or remedy hereunder irrespective of, and Guarantor waives, any common law, equitable, statutory or other rights which Guarantor might possess as a result of or in connection with, any or all of the following:

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(i) any lack of genuineness, regularity, validity, legality or enforceability, or the voidability of, all or any portion of the Loan Agreement or any of the other Loan Documents or any other agreement or instrument relating thereto;

(ii) the failure of Lender to exercise or to exhaust any right or remedy or take any action against Borrower, any other Person or the Collateral or any other security available to Lender, including, without limitation, any indulgence, forbearance or compromise granted or given by Lender to Borrower or any other Significant Party;

(iii) any amendment or modification of the Loan Agreement or any of the other Loan Documents;

(iv) any change in the time, manner or place of payment of all or any of the Obligations now existing or hereafter coming into existence and arising from, by reason of, or in any way relating to any of the terms, covenants, conditions and agreements of the Loan Agreement or any of the other Loan Documents or any extensions of time for payment, whether in whole or in part, of the terms of the Loan Agreement or any of the other Loan Documents on the part of Borrower or any other Person to be paid, performed or observed, as applicable;

(v) any amendment or waiver of, or any assertion or enforcement or failure or refusal to assert or enforce, or any consent or indulgence granted by Lender with respect to a departure from, any term of the Loan Agreement or any of the other Loan Documents, including, without limitation, the waiver by Lender of any default of Borrower or any other Person, or the making of any other arrangement with, or the accepting of any compensation or settlement or compromise from, Borrower or any other Person;

(vi) any failure or delay of Lender to exercise, or any lack of diligence in exercising, any right or remedy with respect to the Loan Agreement, any other Loan Document or this Guaranty;

(vii) any dealings or transactions between Lender and Borrower or any other Person whether or not Guarantor shall be a party to or cognizant of the same;

(viii) any exchange, surrender or release, in whole or in part, of any security which may be held by Lender at any time for or under the Loan Agreement, any other Loan Document or in respect of the Obligations;

(ix) any other guaranty or any indemnity now or hereafter executed by Guarantor or any other guarantor or any indemnitor or the release of any other guarantor or any indemnitor from or the failure of any other Person to assume liability for the payment, performance or observance of the Obligations or any of the terms of the Loan Agreement, the Note or any other Loan Document on the part of Borrower or any other Person to be paid, performed or observed whether by operation of law or otherwise;

(x) any rights, powers or privileges Lender may now or hereafter have against any Person or the Collateral in respect of the Obligations;

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(xi) Lender's consent to any assignment or successive assignments of the Loan Agreement, the Note or any or all of the other Loan Documents by Borrower or any other Person;

(xii) the failure to give Guarantor or any other Person any notices whatsoever;

(xiii) any other circumstance which might in any manner or to any extent constitute a defense available to Borrower or any other Person, or vary the risk of Guarantor, or might otherwise constitute a legal or equitable discharge or defense available to a surety or guarantor, whether similar or dissimilar to the foregoing;

(xiv) any and all notice of the creation, renewal or extension of the Obligations and notice of or proof of reliance by Lender upon this Guaranty or acceptance of this Guaranty;

(xv) any change, restructuring or termination of the limited partnership structure, or existence of Borrower not otherwise permitted by and accomplished in accordance with the requirements contained in the Loan Documents;

(xvi) the exercise of any right or remedy under the Loan Agreement or any of the other Loan Documents, or the obtaining of any judgment against Borrower or any other Person, or the taking of any action to enforce the same;

(xvii) the insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, any other Significant Party or any other Person at any time liable for the payment or performance of all or part of the Obligations; or any dissolution of Borrower or any other Significant Party or any sale, lease or transfer of any or all of the assets of Borrower or any other Significant Party or any changes in the shareholders, partners, members, trustees or beneficiaries of Borrower or any other Significant Party;

(xviii) the invalidity, illegality or unenforceability of all or any part of the Obligations, or any document or agreement executed in connection with the Obligations, for any reason whatsoever, including, without limitation, the fact that (A) the Obligations, or any part thereof, exceed the amount permitted by law, (B) the act of creating the Obligations or any part thereof is ultra vires, (C) the officers or representatives executing the Loan Agreement or the other Loan Documents or otherwise creating the Obligations acted in excess of their authority, (D) the Obligations violate applicable usury laws, (E) Borrower or any other Person liable for any of the Obligations has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Obligations wholly or partially, uncollectible from Borrower or such other Person liable for any of the Obligations, (F) the creation, performance or repayment of the Obligations, or the execution, delivery and performance of any document or instrument representing part of the Obligations or executed in connection with the Obligations, or given to secure the repayment of the Obligations, is illegal, uncollectible or unenforceable, or (G) the Loan Agreement or any of the other Loan Documents have been forged or otherwise are irregular or not genuine or authentic, it being

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understood and agreed that Guarantor shall remain liable under this Guaranty regardless of whether Borrower or any other Person be found not liable on the Obligations or any part thereof for any reason;

(xix) any full or partial release of the liability of Borrower for the Obligations, or any part thereof, or of Guarantor, or any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, or assure the payment of the Obligations, or any part thereof, it being recognized, acknowledged and agreed by Guarantor that Guarantor may be required to pay the Guaranty Obligations in full without assistance or support of any other Person, and Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other Persons will be liable to pay or perform the Guaranty Obligations, or that Lender will look to other Persons to pay or perform the Guaranty Obligations;

(xx) the failure of Lender or any other Person to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of the Collateral or any other security given for the Obligations, including, without limitation, any neglect, delay, omission, failure or refusal of Lender (A) to take or prosecute any action for the collection of any of the Obligations, (B) to foreclose, or initiate any

action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor or (C) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Obligations;

(xxi) the fact that any Collateral, security, security interest or Lien contemplated or intended to be given, created or granted as security for the repayment and/or performance of the Obligations or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or Lien, it being recognized and agreed by Guarantor that Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the Collateral for the Obligations;

(xxii) any existing or future right of offset, claim or defense of Borrower, any other Significant Party or any Affiliate of any Significant Party against Lender or any other Person or against payment and/or performance of the Obligations, whether such right of offset, claim or defense arises in connection with the Obligations or the transactions creating the Obligations or otherwise;

(xxiii) the reorganization, merger or consolidation of Borrower or any other Person into or with any other Person;

(xxiv) any payment (A) by Borrower to Lender or (B) by any other Person to Lender, in either case, on account of or in connection with the Obligations is held to constitute a preference under bankruptcy laws, or if for any reason Lender is required to refund such payment or pay such amount to Borrower, such other Person or any other Person; or

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(xxv) any other action taken or omitted to be taken with respect to the Loan Documents, the Obligations or the Collateral or other security therefor, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranty Obligations pursuant to the terms hereof; or

(xxvi) any assignment of the Loan or any interest therein to any assignees or participants; whether occurring before or after any default by Borrower or any other Person under the Loan Agreement, the Note or any of the other Loan Documents, and with or without further notice to or assent from Guarantor, it being the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay and/or perform the Obligations as provided in Section 2 hereof, if not punctually paid and/or performed when due (subject to applicable grace periods, if any), notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or un contemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final indefeasible payment and satisfaction of the Obligations.

(d) This Guaranty shall continue to be effective or be reinstated, as the case may be, and the rights of Lender hereunder shall continue with respect to, any Guaranty Obligation (or portion thereof) arising out of any Obligation at any time paid by Borrower or any other Person which shall thereafter be required to be restored or returned by Lender upon the insolvency, bankruptcy or reorganization of Borrower or such other Person, or for any other reason, all as though such Obligation (or portion thereof) had not been so paid or applied.

4. Irrevocable Guaranty, Payment. Guarantor's Guaranty Obligations pursuant to Section 2 hereof are continuing and irrevocable under any and all circumstances whatsoever. If all or any part of the Obligations shall not be punctually paid and/or performed when due, whether at demand, maturity, acceleration or otherwise (subject to applicable grace periods, if any), Guarantor shall immediately upon demand by Lender, and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate the maturity, notice of acceleration of the maturity, or any other notice whatsoever, pay the amount due on, and/or perform, the Obligations to Lender. Such demand(s) may be made at any time coincident with or after the time for payment and/or performance of all or part of the Obligations (subject to applicable grace periods, if any), and may be made from time to time with respect to the same or different items of Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof

5. Primary Liability of Guarantor. This Guaranty constitutes a guarantee of payment and performance and not a guarantee and indemnity of collection. Lender may enforce this Guaranty against Guarantor for payment of any amounts due under or performance of any of the Guaranty Obligations as they become due and without first making demand or instituting collection or other proceedings against Borrower, any other guarantor of the Obligations or any other Person liable for any of the Obligations.

Guarantor's liability for the Guaranty Obligations is hereby declared by mutual agreement to be primary, and not secondary.

6. Representations and Warranties. Guarantor warrants and covenants to Lender as follows:

(a) The execution, delivery and performance by Guarantor of this Guaranty, and the performance of its obligations hereunder do not (i) violate any law, rule, regulation (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award, (ii) conflict with or result in the breach of, or constitute a default under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting Guarantor or any of their property or (iii) result in or require the creation or imposition of any lien upon or with respect to any of the property of Guarantor. Guarantor is not in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument.

(b) No authorization, consent or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other Person is required for (i) the due execution, delivery or performance by Guarantor of this Guaranty or (ii) the exercise by the Lender of its rights under this Guaranty.

(c) This Guaranty has been duly executed and delivered by Guarantor. This Guaranty is the legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors rights generally.

(d) There are no conditions precedent to the effectiveness of this Guaranty that have not been either satisfied or waived.

(e) Guarantor has, independently and without reliance upon Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Guaranty.

(f) Guarantor is not insolvent and Guarantor's execution hereof does not render Guarantor insolvent.

(g) Guarantor is not (i) presently, and covenants that it shall not hereafter be, delinquent in the payment of any Taxes (as hereinafter defined) imposed by any Governmental Authority or in the filing of any tax return and (ii) involved in a dispute with any taxing authority over Tax amounts due which would be reasonably likely to result in a material adverse effect on Guarantor's ability to fully and timely perform the Guaranty Obligations.

(h) No information, exhibit or report furnished by Guarantor to Lender in connection with this Guaranty or pursuant to the terms of the Loan Documents contain any

untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein not misleading in any material respect.

(i) There is no action, suit, investigation, litigation or proceeding affecting Guarantor pending or threatened before any court, governmental agency or arbitrator that (i) would be reasonably likely to result in a material adverse effect on Guarantor's ability to fully and timely perform the Guaranty Obligations or (ii) purports to affect the legality, validity or enforceability of this Guaranty.

(j) Guarantor is not a party to any indenture, loan or credit agreement or any contract, lease or other agreement or instrument, or subject to any restriction that would be reasonably likely to result in a material adverse effect on Guarantor's ability to fully and timely perform the Guaranty Obligations.

(k) Subject to legally permitted extensions, Guarantor has filed, has caused to be filed or has been included in all tax returns (Federal, state, local and foreign) required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties.

(l) No bankruptcy, reorganization or insolvency proceedings are pending or contemplated either by Guarantor or, to the best knowledge of Guarantor, against Guarantor.

(m) Guarantor will receive, substantial direct or indirect benefit from the giving of this Guaranty, the borrowing of the Loan and the consummation of the

transactions described in the Loan Agreement.

(n) The financial statements of Guarantor which have been delivered to Lender in connection with the Loan, if any, are true, correct and complete in all material respects and do not omit any material fact necessary to make such financial statements not misleading.

7. Covenants. Guarantor covenants and agrees that:

(a) Guarantor shall not convey, sell, lease, assign, transfer or otherwise dispose of all or substantially all of his property, business or assets.

(b) Guarantor shall deliver to Lender as soon as available, but in any event not later than forty-five (45) days after the end of each quarter of each calendar year, the unaudited financial statements of Guarantor as of the end of each such quarter year, certified by Guarantor as being true, correct and complete in all material respects.

(c) Guarantor shall deliver to Lender as soon as available, but in any event not later than ninety (90) days after the end of each calendar year, the audited financial statements of Guarantor as of the end of each such calendar year, certified by Guarantor as being true, correct and complete copies in all material respects.

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(d) Guarantor shall pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all of his obligations of whatever nature, except when the amount or validity thereof is being contested currently in good faith by appropriate proceedings and reasonable reserves are established by Guarantor thereagainst.

8. No Marshaling of Assets. Lender may proceed against any or all of the Collateral or any other security for the Obligations, as well as any assets of Guarantor and against Persons liable therefor in such order as it may elect, and no Guarantor shall be entitled to require Lender to marshal assets. The benefit of any rule of law or equity to the contrary is hereby expressly waived by Guarantor.

9. Release of Liable Parties. Lender may, in its sole discretion and with or without consideration release, compromise or settle with any Person including, without limitation, Borrower or any other Significant Party. The defenses of impairment of collateral and impairment of recourse and any requirements of diligence on Lender's part in collecting the Obligations are hereby expressly waived by Guarantor.

10. Waivers. Guarantor expressly waives the following:

(a) notice of acceptance of this Guaranty and of any change in the financial condition of Borrower or any other Person;

(b) any requirement of promptness, diligence, presentment, protest, notice of dishonor, notice of default, notice of acceptance, demand, and all other actions or notices that may otherwise be required on Lender's part in connection with the Obligations and/or this Guaranty;

(c) any demand for payment under this Guaranty;

(d) the right to interpose all substantive and procedural defenses of the law of guaranty, indemnification and suretyship, except the defenses of prior payment by Borrower or any other surety of the Obligations;

(e) all rights and remedies accorded by applicable law to guarantors or sureties, including, without limitation, any extension of time conferred by any law now or hereafter in effect;

(f) the right to trial by jury in any action or proceeding of any kind arising on, under, out of, or by reason of or relating, in any way, to this Guaranty or the interpretation, breach or enforcement hereof;

(g) the right to interpose any setoff or counterclaim (other than mandatory counterclaims) of any nature or description in any action or proceeding arising hereunder with respect to this Guaranty;

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(h) any right or claim of right to cause a marshaling of the assets of Borrower or to cause Lender to proceed against Borrower and/or any of the Collateral or other security held by Lender at any time or in any particular order;

(i) any defense based on any statutory or other limitation of the amount of any deficiency judgment available to Lender after foreclosure or other proceedings

to realize upon any of the Collateral or any other security for the Obligations;

(j) any defense or benefits that may be afforded by any statute or law requiring a creditor to elect remedies;

(k) any defense based on the failure to make Guarantor a defendant in any action under any Loan Document;

(l) any rights which Guarantor may have to require Lender, in order to enforce the Guaranty Obligations under this Guaranty, to (i) institute suit or exhaust its remedies against Borrower, any other Person liable for any of the Obligations or any other Person, (ii) enforce Lender's rights against any of the Collateral or any other security which shall ever have been given to secure the Obligations, (iii) enforce Lender's rights against any other guarantors from time to time of any of the Obligations, (iv) join Borrower or any other Person liable for any of the Obligations in any action seeking to enforce this Guaranty, (v) exhaust any remedies available to Lender against any of the Collateral or any other security which shall ever have been given to secure the Obligations or (vi) resort to any other means of obtaining payment of any of the Obligations. Lender shall not be required to mitigate damages or take any other action to reduce, collect or enforce any of the Obligations; and

(m) notice of (i) any loans or advances made by Lender to Borrower, (ii) acceptance of this Guaranty, (iii) any amendment or extension of the Note or of any other Loan Documents, (iv) the execution and delivery by Borrower and Lender of any other loan or credit agreement or of Borrower's or any other Person's execution and delivery of any promissory notes or other documents arising under the Loan Documents or in connection with the Collateral, (v) the occurrence of any breach or default of or under the Loan Documents by Borrower, any other Person or an Event of Default, (vi) Lender's transfer or disposition of the Obligations, or any part thereof, (vii) sale or foreclosure (or posting or advertising for sale or foreclosure) of any of the Collateral or any other security for the Obligations, (viii) protest, proof of non-payment or default by Borrower or any other Person or (ix) any other action at any time taken or omitted by Lender, and, generally, all demands and notices of every kind in connection with this Agreement, the Loan Documents, any documents or agreements evidencing, securing or relating to any of the Obligations.

11. Bankruptcy. Notwithstanding anything to the contrary contained in this Guaranty, Guarantor's liability shall extend to all amounts and performance of all Obligations which constitute part of the Guaranty Obligations and would be owed or be required to be performed by Borrower or any other Person under the Loan or any Loan Document but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Borrower or any other Person, including,

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without limitation, the accrual of post-petition interest which may otherwise be limited by Section 506 of the Bankruptcy Code or any other provision thereof. Without limiting the foregoing, neither Guarantor's obligation to perform or to make payment in accordance with this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed, stayed, released or limited in any manner by any impairment, modification, change, release, limitation or stay of the liability of Borrower or any other Person or its estate in bankruptcy or any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the Bankruptcy Code or other statute or from the decision of any court interpreting any of the same.

12. Currency of Payments. Any and all amounts required to be paid by Guarantor hereunder shall be paid in lawful money of the United States of America and in immediately available funds to Lender. Guarantor agrees that whenever, at any time, or from time to time, it shall make any payment to Lender on account of its liability hereunder, it shall notify Lender in writing that such payment is made under this Guaranty for that purpose.

13. Waiver of Rights Against Borrower, Subordination.

(a) Until all of the Obligations are paid in full to Lender and/or performed, Guarantor hereby waives all rights of subrogation and any other claims that Guarantor (or any of them) may now have or hereafter acquire against either Borrower or any insider (as such term is used in Section 547(b)(2)(B) of the Bankruptcy Code (an "Insider")) that arise from the existence, payment, performance or enforcement of Guarantor's obligations under this Guaranty or any other documents executed in connection herewith (collectively, the "Guaranty Documents"), including, without limitation, any right of reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Lender against either Borrower or any Insider, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from either Borrower or any Insider, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of

such claim, remedy or right until all Obligations are indefeasibly paid and/or performed in full for a period of three hundred sixty-six (366) days.

(b) If any amount shall be paid to Guarantor in violation of clause (a) immediately above, such amount shall be held in trust for the benefit of Lender and shall forthwith be paid to Lender to be credited and applied to all amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the Loan Documents and the Guaranty Documents, or to be held as collateral for any amounts payable under this Guaranty thereafter arising. Guarantor acknowledges that Guarantor has and will receive substantial direct and indirect benefits from the borrowing of the Loan and the consummation of the transactions contemplated by the Loan Documents and the Guaranty Documents and that the waiver set forth in clause (a) immediately above is knowingly made in contemplation of such benefits.

(c) As used herein, the term "Guarantor Claims" means all debts and liabilities of Borrower or any Insider to Guarantor, whether such debts and liabilities now

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exist or are hereafter incurred or arise, or whether such obligations of Borrower or any Insider be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise or of the Person or Persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by Guarantor. The Guarantor Claims shall include, without limitation, all rights and claims of Guarantor against Borrower (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guaranty Obligations. Upon the occurrence of an Event of Default or the occurrence of an event which would, with the giving of notice or the passage of time, or both, constitute an Event of Default, and as to which notice has been given by Lender, where required to be so given under the Loan Documents, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other Person any amount upon the Guarantor Claims.

(d) In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving Guarantor, as debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon the Guarantor Claims. Guarantor hereby assigns such dividends and payments to Lender. Should Lender receive, for application upon the Guaranty Obligations, any such dividend or payment which is otherwise payable to Guarantor, and which, as between Borrower or any Insider and Guarantor, shall constitute a credit upon the Guarantor Claims, then upon payment to Lender and performance in full of the Obligations, Guarantor shall become subrogated to the rights of Lender to the extent that such payments to Lender on the Guarantor Claims have contributed toward the liquidation of the Obligations, and such subrogation shall be with respect to that proportion of the Obligations which would have been unpaid if Lender had not received dividends or payments upon the Guarantor Claims.

(e) In the event that, notwithstanding anything to the contrary in this Guaranty, Guarantor should receive any funds, payment, claim or distribution which is prohibited by this Guaranty, Guarantor agrees to hold in trust for Lender an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that Guarantor shall have absolutely no dominion over the amount of such funds, payments, claims or distributions so received except to pay them promptly to Lender, and Guarantor covenants promptly to pay the same to Lender.

(f) Guarantor agrees that any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's or any Insider's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's or any Insider's assets securing payment of the Obligations, regardless of whether such encumbrances in favor of Guarantor or Lender presently exist or are hereafter created or attach. Without the prior written consent of Lender, Guarantor shall not (i) exercise or enforce any creditor's right it may have against Borrower or any Insider or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings Judicial or otherwise, including,

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without limitation, the commencement of, or joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgages, deeds of trust, security interests, collateral rights, judgments or other encumbrances on assets of Borrower or any Insider held by Guarantor.

14. Amendment in Writing. No amendment or waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

15. Statute of Limitation. Guarantor acknowledges that the statute of limitation applicable to this Guaranty shall begin to run only upon Lender's accrual of a cause of action against Guarantor caused by failure of Guarantor to honor a demand for payment or performance hereunder made by Lender in writing; provide, however, that if, subsequent to the demand upon Guarantor, Lender reaches an agreement with Borrower, Guarantor or any other Person on any terms causing Lender to forbear in the enforcement of its demand upon Guarantor, the statute of limitation shall be reinstated and shall run for its full duration from such time that Lender subsequently makes demand upon Guarantor.

16. Jurisdiction, Venue, Service of Process. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS GUARANTY SHALL BE BROUGHT, AT LENDER'S OPTION, IN THE COURTS OF THE STATE OF NEW YORK, NEW YORK COUNTY OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK. GUARANTOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. GUARANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO EITHER (i) GUARANTOR'S ADDRESS SET FORTH IN THE INTRODUCTORY PARAGRAPH OF THIS GUARANTY OR (ii) GUARANTOR'S ADDRESS FOR NOTICES SET FORTH IN SECTION 20 HEREOF, WHICH SERVICE SHALL BE DEEMED SUFFICIENT FOR PERSONAL JURISDICTION AND SHALL BE DEEMED EFFECTIVE SEVEN (7) DAYS AFTER MAILING. GUARANTOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS GUARANTY BROUGHT IN THE COURTS REFERRED TO ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST GUARANTOR IN ANY OTHER JURISDICTION.

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17. Further Assurances, Etc. Guarantor shall, at its sole cost and expense, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts and assurances as Lender shall from time to time reasonably require or deem advisable (a) to effectuate the intent and purposes of this Guaranty and (b) for the better assuring and confirming of all of Lender's rights, powers and remedies hereunder, provided that none of the same shall increase, in other than a de minimis fashion, any of the obligations of Guarantor under this Guaranty or decrease, in other than a de minimis fashion, any of the rights of Guarantor under this Guaranty.

18. Remedies. The obligations of Guarantor under this Guaranty are independent of Borrower's or any other Person's obligations under the Note and the other Loan Documents, and a separate action or actions may be brought and prosecuted against Guarantor to enforce this Guaranty, irrespective of whether any action is brought against Borrower or any other Person or whether Borrower or any other Person is joined in any such action or actions. Any one or more successive and/or concurrent actions may be brought hereon against Guarantor either in the same action, if any, brought against Borrower or any other Person or in separate actions, as often as Lender, in its sole discretion, may deem advisable.

19. Certified Statement. Guarantor agrees that it shall, at any time and from time to time, within ten (10) days following request by Lender, execute and deliver to Lender a statement certifying that this Guaranty is unmodified and in full force and effect (or if modified, that the same is in full force and effect as modified and stating such modifications).

20. Notices. All notices, demands and other communications permitted or required to be given or furnished hereunder shall be in writing and shall be given in any manner permitted pursuant to Section 7.6 of the Loan Agreement to the Person intended to receive the same at the following addresses):

If to Lender, at:
SWH Funding Corp.
Two University Plaza
Hackensack, New Jersey 07601
Attention: Sanford S. Herrick
Facsimile: (201) 343-1523

with a copy to:
Solomon and Weinberg LLP
685 Third Avenue, 30th Floor

New York, New York 10017
Attention: Jay Stark, Esq.
Facsimile: (212) 605-0999

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If to Guarantor, at:
Cedar Income Fund, Ltd.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Brenda J. Walker
Facsimile: (516) 767-6497

with a copy to:
Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Stuart H. Widowski, Esq.
Facsimile: (516) 767-6497

Any party may change the address to which any such notice, demand or communication is to be delivered by furnishing ten (10) days written notice of such change to the other parties in accordance with the provisions of this Section 20. Notices, demands and communications shall be deemed to have been given on the date they are actually received; provide, however, that the inability to deliver the same because of a changed address of which no notice was given, or rejection or refusal to accept any notice, demand or communication offered for delivery, shall be deemed to be receipt as of the date of such inability to deliver or rejection or refusal to accept delivery. Notice for Lender or Guarantor may be given by their respective counsel.

21. Successors and/or Assigns. This Guaranty shall inure to the benefit of and be enforceable by Lender and its assignees, participants and affiliates. Wherever in this Guaranty reference is made to Lender or Borrower, the same shall be deemed to refer also to the then assignee of Lender or Borrower.

22. Governing Law; Waivers.

(a) This Guaranty was negotiated, executed and delivered in the State of New York. This Guaranty shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the State of New York's principles of conflicts of law, except that it is the intent and purpose of Lender and Guarantor that the provisions of Section 5-1401 of the General Obligations Law of the State of New York shall apply to the Guaranty.

(b) GUARANTOR EXPRESSLY AND UNCONDITIONALLY WAVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY LENDER UNDER THIS GUARANTY ANY AND EVERY RIGHT GUARANTOR MAY HAVE TO (1) A TRIAL BY JURY, (11) INTERPOSE ANY COUNTERCLAIM THEREIN (EXCEPT FOR ANY COMPULSORY COUNTERCLAIM WHICH, IF NOT ASSERTED IN SUCH PROCEEDING, WOULD BE WAIVED) AND

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(III) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING.

23. Severability. In the event that any of the covenants, agreements, terms or provisions contained in this Guaranty or the application thereof to any circumstance or to Guarantor shall be invalid or unenforceable in any respect, the remaining covenants, agreements, terms and provisions contained in this Guaranty or the application thereof to any circumstances or to Guarantor other than those as to which any covenant, agreement, term or provision is held invalid or unenforceable, shall not be affected or prejudiced thereby and each remaining covenant, agreement, term and provision of this Guaranty shall be valid and shall be enforceable to the fullest extent permitted by law.

24. Inapplicability of Nonrecourse Obligations. The Loan Agreement, Note and the other Loan Documents may contain provisions which may limit Lender's remedies against Borrower or any other Person upon a default (collectively, the "Limited Recourse Provisions"). None of the Limited Recourse Provisions shall be construed to abrogate or limit the obligations of Guarantor under this Guaranty.

25. Payments Free and Clear of Taxes.

(a) Any and all payments made by Guarantor under this Guaranty shall be made free and clear of, and without deduction for, any and all prospectively enacted taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto (including, without limitation, penalties, interest, additions to tax and expenses) (all such taxes, levies, imposts, deductions, charges, withholdings and liabilities being herein collectively referred to as "Taxes").

(b) Guarantor shall pay any prospectively enacted stamp or documentary taxes,

intangible taxes or any other sales, excise or property taxes, charges or similar levies which arise from any payment made with respect to this Guaranty, excepting therefrom income taxes and franchise taxes of Lender (collectively, "Other Taxes").

(c) If Guarantor shall be required by any prospectively enacted law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder to Lender, then:

(i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 25 Lender shall receive an amount equal to the sum Lender would have received had no such deductions been made;

(ii) Guarantor shall make such deductions;

(iii) Guarantor shall pay the full amount deducted to the relevant taxation, or other, authority in accordance with applicable law; and

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(iv) within ten (10) days after the date of such payment, Guarantor shall furnish to Lender the original or a certified copy of a receipt evidencing such payment.

(d) Without prejudice to the survival of any other agreement or obligation of Guarantor under this Guaranty, the agreements and obligations of Guarantor under this Section 25 shall survive so long as any relevant limitations period with respect to any Tax or Other Tax remains open.

26. Entire Agreement, No Oral Representations Limiting Enforcement, Loan Agreement, Etc. This Guaranty represents the entire agreement between the parties concerning the liability of Guarantor for the Guaranty Obligations, and any oral statements regarding the liability of Guarantor for the Guaranty Obligations are merged herein. GUARANTOR UNDERSTANDS THAT LENDER INTENDS TO RELY UPON AND TO ENFORCE THIS GUARANTY AND THAT GUARANTOR MUST NOT RELY UPON OR BELIEVE THAT LENDER OR ANY TRUSTEE, OFFICER, DIRECTOR, AGENT, EMPLOYEE OR REPRESENTATIVE OF LENDER IS AUTHORIZED TO MAKE ANY STATEMENT OR REPRESENTATION TO THE CONTRARY. LENDER HEREBY DISAVOWS ANY SUCH STATEMENT OR REPRESENTATION BY ANY PERSON. WITHOUT LIMITING THE FOREGOING, GUARANTOR ACKNOWLEDGES LENDER'S INTENTION TO ENFORCE THIS GUARANTY TO THE FULLEST EXTENT POSSIBLE AND GUARANTOR ACKNOWLEDGES THAT LENDER HAS MADE NO ORAL STATEMENTS TO GUARANTOR THAT COULD BE CONSTRUED AS A WAIVER OF LENDER'S RIGHT TO ENFORCE THIS GUARANTY BY ALL AVAILABLE LEGAL MEANS. Guarantor acknowledges that Guarantor has read the Loan Agreement, the Note and the other Loan Documents,

27. Cumulative Remedies. The remedies provided Lender in this Guaranty are not exclusive of any other remedies that may be available to Lender under any other document or at law, in equity or otherwise. Guarantor acknowledges and agrees that it is now, and shall in the future be, impossible to measure accurately the damages to Lender resulting from a breach of one or more of the obligations of Guarantor hereunder; that such a breach will cause irreparable injury to Lender and that Lender has no adequate remedy at law in respect of such breach and, as a consequence, agrees that such obligations shall be specifically enforceable against Guarantor upon which a demand for performance is made by Lender hereunder; and Guarantor hereby waives and shall not assert any defense based on the denial of any of the foregoing in an action for specific performance of any of such covenants.

28. Instrument for Payment of Money Only. Guarantor hereby agrees and acknowledges that this Guaranty is an instrument for the payment of money only and hereby consents that Lender, at its sole option, in the event of a default by Guarantor in the payment of any of the amounts payable by Guarantor hereunder, shall have the right to bring a motion or action under New York CPLR Section 3213.

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29. Headings. The captions and headings of the various sections of this Guaranty are for purposes of reference only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof.

30. Counterparts. This Guaranty may be executed in any number of counterparts, each of which shall constitute an original and which, when taken together, shall constitute but one instrument. All such counterparts will be deemed to be originals and will together constitute but one and the same instrument. If more than one guarantor executes this Guaranty, the joint and several liability of the undersigned shall be unaffected by the failure of any of the undersigned to execute any or all of the counterparts.

31. Rule of Construction. This Guaranty shall not be construed more strictly against a party, solely because this Guaranty may have been prepared by counsel for such party, it being agreed that each of Lender and Guarantor have

contributed substantially and materially to the preparation of this Guaranty.

32. Transfer Restriction. Guarantor hereby agrees that, for so long as there shall remain any Guaranty Obligations outstanding, Guarantor shall not convey, assign or transfer any of its assets, except (a) in exchange for fair and full consideration or (b) in the ordinary course of business.

33. Time of the Essence. Time is of the essence as to Guarantor's obligations under this Guaranty.

34. Specific Limitation on Guaranty Obligations. Guarantor and Lender hereby confirm that it is the intention of Guarantor and Lender that this Guaranty not constitute a fraudulent transfer or fraudulent conveyance (a "Fraudulent Conveyance") under the Bankruptcy Code, the Uniform Fraudulent Conveyance Act or any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever (collectively, the "Bankruptcy Laws"). To give effect to the foregoing intention of Guarantor and Lender, each of such parties hereby irrevocably agrees that the Guaranty Obligations shall be limited to (but shall not be less than) such maximum amount as will, after giving effect to the maximum amount of such obligations and all other liabilities (whether contingent or otherwise) of Guarantor that are relevant under such Bankruptcy Laws, result in the Guaranty Obligations not constituting a Fraudulent Conveyance under the Bankruptcy Laws, as of the date of execution and delivery of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Guarantor has executed and delivered this Guaranty as of the date first set forth above.

GUARANTOR:

CEDAR INCOME FUND, LTD.,
a Maryland corporation

By:

Name: Leo S. Ullman
Title: President

ACKNOWLEDGMENT

Within New York:

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

On the 20 day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Leo S. Ullman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument the individual, the person upon behalf of which the individual acted, executed the instrument.

Notary Public (SEAL)
CHARISA J. GOODMAN
Notary Public, State of New York No. 01G05077989

Qualified in New York County
Commission Expires May 19, 2003

Outside New York:

STATE OF)
)ss.:

COUNTY OF

)

On the day of November in the year 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the .

Notary Public (SEAL)

INTERCREDITOR RECOGNITION AGREEMENT

THIS INTERCREDITOR RECOGNITION AGREEMENT ("Agreement"), made as of the 22 day of November, 2002, among CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania state chartered savings bank, having an office at 2001 Market Street, 6th Floor, Philadelphia, Pennsylvania 19103-7053 (hereinafter, together with its successors and assigns, referred to as "Senior Lender"), and SWH FUNDING CORP., a New Jersey corporation, having an office at Two University Plaza, Hackensack, New Jersey 07601 (hereinafter, together with its successors and assigns, referred to as "Subordinate Lender"), CEDAR- CAMP HILL, LLC, a Delaware limited liability company, having an office in care of Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Suite 304, Port Washington, New York, NY 11050 (hereinafter referred to as "Mortgage Borrower") and CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership, having an office in care of Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Suite 304, Port Washington, New York, NY 11 050 (hereinafter referred to as "Cedar")

WITNESSETH:

WHEREAS, Senior Lender has made or is about to make a loan to Mortgage Borrower pursuant to the terms of a certain loan agreement dated as of November 14, 2002, between Mortgage Borrower and Senior Lender (as the same may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement, the "Senior Loan Agreement") in the original principal amount of \$14,000,000.00 (the "Senior Loan"), which Senior Loan is evidenced by a certain Mortgage Note, dated as of November 14, 2002, made by Mortgage Borrower to Senior Lender in the amount of the Senior Loan (as the same may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement, the "Senior Note"), and secured by a certain mortgage, dated as of November 14, 2002, made by Mortgage Borrower, as mortgagor, to Senior Lender, as mortgagee (as the same may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement, the "Senior Mortgage "), encumbering the real property and improvements thereon, as more particularly described in Exhibit A attached hereto and made a part hereof (the "Premises"); and

WHEREAS, Subordinate Lender has made or is about to enter into a loan agreement pursuant to which Subordinate Lender has agreed to make a loan to Cedar and advance certain sums on behalf of Cedar and certain of its affiliates (including, without limitation, Mortgage Borrower) in the original aggregate principal amount of \$6,000,000.00, or so much thereof as shall be advanced from time to time (the "Subordinate Loan"), pursuant to the terms, provisions and conditions set forth in that certain Loan Agreement, of even date herewith,

between Cedar and Subordinate Lender (as the same may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement, the "Subordinate Loan Agreement"), which Subordinate Loan is evidenced by a certain Promissory Note, of even date herewith, made by Cedar to Subordinate Lender in the amount of the Subordinate Loan (as the same may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement, the "Subordinate Note") and secured by, among other things, a certain Pledge and Security Agreement, of even date herewith, made by Cedar, as pledge, to Subordinate Lender, as pledge, pursuant to which, inter alia, Cedar has granted to Lender a security interest in Cedar's 100% membership interest in Mortgage Borrower (the "Equity Interest") (as the same may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement, the "Pledge Agreement"); and

WHEREAS, Senior Lender and Subordinate Lender wish to enter into this Agreement to provide for the relative priority of the Senior Loan Documents (as hereinafter defined) and the Subordinate Loan Documents (as hereinafter defined) and certain other matters, all as more particularly set forth below.

NOW, THEREFORE, intending to be legally bound, Senior Lender, Subordinate Lender, Mortgage Borrower and Cedar hereby agree, notwithstanding any contrary term, provision, agreement, warranty and/or representation contained or implied in the Senior Loan Documents or in the Subordinate Loan Documents or any document executed in connection therewith or in connection with the Premises, as follows:

1. Ownership of Senior Loan and of Subordinate Loan.

(a) Senior Lender hereby represents and warrants that (i) Senior Lender has not previously assigned any interest in the Senior Note, the Senior Mortgage or any other Senior Loan Document or the Senior Loan to any party, (ii) no party owns an interest in any Senior Loan Document or the Senior Loan other than the Senior Lender (whether as joint holders of the Senior Loan, participants therein or

otherwise) and (iii) Exhibit B attached hereto and made a part hereof is a true, correct and complete listing of all documents, instruments and agreements evidencing, securing or entered into in connection with the Senior Loan (as the same may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement, collectively, the "Senior Loan Documents").

(b) Subordinate Lender hereby represents and warrants that (i) except for any Permitted Participation (as hereinafter defined), Subordinate Lender has not previously assigned any interest in the Subordinate Note or any other Subordinate Loan Document or the Subordinate Loan to any party, (ii) except for any participant in connection with a Permitted Participation, no party owns an interest in any Subordinate Loan Document or the Subordinate Loan other than the Subordinate Lender (whether as joint holders of the Subordinate Loan,

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participants therein or otherwise) and (iii) Exhibit C attached hereto and made a part hereof is a true, correct and complete listing of all documents, instruments and agreements evidencing, securing or entered into in connection with the Subordinate Loan (as the same may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement, collectively, the "Subordinate Loan Documents").

2. Consent of Senior Lender to Subordinate Loan. Senior Lender hereby consents, to the extent such consent may be required, to the making of the Subordinate Loan by Subordinate Lender to Cedar and to the execution, delivery and filing (as applicable) of the Subordinate Loan Documents. Senior Lender also consents to the security interests granted to Subordinate Lender pursuant to the Pledge Agreement.

3. Subordination.

(a) Except as provided in Section 3(c) below, the Subordinate Loan and the Subordinate Loan Documents are hereby made and shall continue to be subject and subordinate to (i) the lien of the Senior Mortgage and any and all other Senior Loan Documents, (ii) all advances made or which may hereafter be made pursuant to the express terms and provisions of the Senior Loan Documents, (iii) all interest and other sums payable under the Senior Loan Documents, (iv) all sums expended and disbursements made by the holder of the Senior Loan Documents, pursuant to the terms of the Senior Loan Documents to protect and preserve the security for the Senior Loan and/or to enforce such holder's rights and remedies thereunder, which advances, expenditures and disbursements pursuant to such terms thereof may be made without the consent of the Subordinate Lender and (v) any severances, consolidations, replacements, substitutions, extensions, renewals and/or modifications of the Senior Note, the Senior Mortgage and/or the other Senior Loan Documents which, by the terms of this Agreement, are permitted to be made without notice to or the consent of Subordinate Lender.

(b) If Subordinate Lender shall acquire by indemnification, subrogation or otherwise, any lien, estate, right or other interest in the Premises, such lien, estate, right or other interest shall be subordinate to the Senior Mortgage as provided herein, and Subordinate Lender hereby subordinates any and all rights it may acquire by indemnification, subrogation or otherwise to the lien of the Senior Mortgage, with the sole exception of any payments made by Subordinate Lender for real estate taxes, assessments or other liens and assessments ("Taxes") against the Premises which would be prior in lien to the Senior Mortgage if unpaid, and then only to the extent of the actual sum of money expended by Subordinate Lender in payment of same, together with interest accrued thereon at the applicable default rate under the Subordinate Loan Agreement.

(c) This Agreement shall not be construed as subordinating and shall not subordinate or impair the first lien priority right, estate and interest evidenced by the Pledge Agreement, and Senior Lender hereby acknowledges and agrees that Senior Lender does not have and shall not hereafter acquire, any

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lien on, or any other interest whatsoever in, the collateral described in the Pledge Agreement (the "Pledge Collateral") or any part thereof

(d) Until payment in full of the Senior Loan, Subordinate Lender shall not exercise any rights of subrogation which it has or may otherwise have as a result of making any payment or curing any default under or with respect to the Senior Loan or the Senior Loan Documents, except where the failure to do so would prohibit Subordinate Lender from asserting such right(s) after payment in full of the Senior Loan.

4. Payments in Respect of the Subordinate Loan.

(a) Except as expressly provided in this Agreement, all payments in respect of the Subordinate Loan are subject and subordinate in all respects to all payments due and payable in respect of the Senior Loan. For so long as there remains any unpaid balance of the Senior Loan, Subordinate Lender agrees that it shall not accept, and Cedar agrees that it shall not make, any payments on account of the Subordinate Loan, other than (i) as provided in Section 4(b) below and (ii) payments of interest, additional interest, principal and other sums payable under the Subordinate Loan, as and when due and payable in accordance with the terms and provisions of the Subordinate Loan Agreement and the other Subordinate Loan Documents. Notwithstanding the foregoing, but subject to the provisions of Sections 4(b) and 5(a) below, Subordinate Lender agrees that it shall not accept, and Cedar agrees that it shall not make, any payments in respect of the Subordinate Loan after receiving written notice from Senior Lender that an Event of Default (as defined in the Senior Loan Agreement) has occurred under the Senior Loan Documents, provided that Senior Lender shall not have accepted a cure thereof, and any and all payments received by Subordinate Lender after such notice shall be held in trust by Subordinate Lender and delivered to Senior Lender, without demand therefor, promptly upon Subordinate Lender's receipt thereof.

(b) Notwithstanding the provisions of the foregoing Section 4(a) above, Subordinate Lender shall be entitled in all events to receive and apply solely for the benefit of Subordinate Lender in accordance with the terms and provisions of the Subordinate Loan Agreement, any and all revenues from and proceeds of the Pledged Collateral, whether in connection with the sale or other disposition thereof, or otherwise.

(c) Except in connection with any Equity Enforcement Action (as hereinafter defined) and/or a Permitted Participation, Subordinate Lender shall not, directly or indirectly, for so long as there remains any unpaid balance of the Senior Loan, (i) sell, transfer or assign the Subordinate Loan or the Subordinate Loan Documents, or any part thereof or any interest therein or (ii) sell or otherwise dispose of the Pledged Collateral or any interest therein (any such transaction, a ".Prohibited Transfer"). Any change in control of Subordinate Lender shall constitute a Prohibited Transfer within the meaning of the preceding sentence. Notwithstanding the foregoing, Subordinate Lender may, without limitation, sell interests and/or participations in the Subordinate Loan Documents (and, in connection therewith, assign and/or transfer corresponding

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interests in the Subordinate Loan Documents and the Pledged Collateral), provided that, so long as the Senior Loan remains outstanding, Subordinate Lender continues to be the administration of the Subordinate Loan (each such sale, assignment and/or participation a "Permitted Participation").

5. Taking or Casualty, Insurance Policies.

(a) In the event of (i) a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Premises (collectively, a "Taking"), or (ii) the occurrence of a fire or other casualty resulting in damage to all or a portion of the Premises (collectively, a "Casualty"), at any time or times when all or any portion of the Senior Mortgage remains a lien on the Premises: all proceeds received or to be received on account of a Taking and/or a Casualty shall be applied in accordance with the applicable provisions contained in the Senior Mortgage; provided, however that if Lender elects to apply such proceeds in reduction of the outstanding obligations secured by the Senior Mortgage, any proceeds remaining after the satisfaction in full of the Senior Mortgage may be applied by Subordinate Lender in accordance with the applicable provisions contained in the Subordinate Loan Agreement.

(b) Notwithstanding anything to the contrary contained in the Subordinate Loan Agreement, all original policies of insurance required to be maintained pursuant to the Senior Mortgage shall be held by Senior Lender, provided that (i) appropriate evidences with respect thereto shall be provided to Subordinate Lender and (ii) Senior Lender shall provide Subordinate Lender with a copy of such policies, and the original, thereof upon satisfaction of the Senior Loan.

6. Delivery of Notices; Subordinate Mortgagee's Opportunity to Cure.

(a) Senior Lender and Subordinate Lender shall each deliver to the other true, correct and complete copies of all notices of default and all other material notices delivered to or received by Senior Lender or Subordinate Lender, as the case may be, in respect of or under the Senior Loan Documents and the Subordinate Loan Documents, as the case may be.

(b) Senior Lender shall give Subordinate Lender written notice of any default under the Senior Mortgage or any other Senior Loan Document (a "Default Notice"), whether or not Senior Lender is obligated to give notice thereof to Mortgage Borrower, which Default Notice shall be given simultaneously with the giving of any such Default Notice to Mortgage Borrower, and Subordinate Lender shall have the right to cure any default under the Senior Mortgage or other Senior Loan Documents, but shall be under no obligation to effect such cure. Senior Lender shall allow Subordinate Lender the same period of time within

which to cure any such default, after the delivery to Subordinate Lender of a Default Notice with respect thereto, as is allowed to Mortgage Borrower to cure such default, but in no event shall Subordinate Lender be allowed less than (i) thirteen (13) days following written demand to cure any payment default

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relating to a liquidated sum of money and (ii) thirty (30) days after written demand to cure any non-monetary default (or such longer period as may be necessary if the default is not susceptible of being cured within such thirty (30) day period so long as Subordinate Lender commences the cure thereof within such thirty (30) day period and thereafter diligently prosecutes the same to completion, but in no event more than sixty (60) days in the aggregate). Notwithstanding anything to the contrary contained herein, with respect to any non-monetary default which is personal in nature to Mortgage Borrower and cannot be cured by Subordinate Lender even if Subordinate Lender acquires title to the Equity Interest, then, provided Subordinate Lender promptly commences and diligently pursues an Equity Enforcement Action and has cured all monetary defaults and all non-monetary defaults that can be cured by Subordinate Lender without acquiring title to the Equity Interests, Subordinate Lender shall not be required to cure such personal non-monetary default. (c) Senior Lender shall accept performance by Subordinate Lender of any of the obligations of Mortgage Borrower (provided Subordinate Lender complies with the terms of this Agreement, including, without limitation, all time frames to effect a cure of any default) under the Senior Loan Documents as though performed by Mortgage Borrower, without, however, waiving any default as against Mortgage Borrower.

7. Status as Permitted Owner.

Senior Lender acknowledges and agrees that (a) the transfer of ownership or control of the Equity Interests, whether pursuant to the taking by Subordinate Lender of an Equity Enforcement Action (as defined herein) or the exercise by Subordinate Lender of any other rights or remedies available to Subordinate Lender at law or in equity shall not give rise to a default under any of the Senior Loan Documents, (b) no consent of Mortgage Lender shall be required as a condition precedent to the validity or effectiveness of any such transfer and (c) upon the transfer to Subordinate Lender of ownership or control of the Equity Interests, Senior Lender shall recognize Subordinate Lender as the beneficial owner of Mortgage Borrower.

8. Standstill.

(a) Following the occurrence of a default or Event of Default under the Senior Loan Agreement or any other Senior Loan Document, Senior Lender shall not (i) accelerate the maturity of the Senior Loan or (ii) commence any foreclosure proceedings against the Premises and/or exercise any of its other rights or remedies under or in respect of the Senior Mortgage or any of the other Senior Loan Documents, including, without limitation, any assignment of leases, rents, issues and/or profits (whether relating to a default and/or an event of default thereunder or otherwise), for so long as Subordinate Lender (y) shall make or cause to be made timely payment of all debt service, other than debt service that is due or becomes due by reason of any acceleration of the indebtedness evidenced by the Senior Note and (z) subject to Section 8(b), is otherwise exercising its cure rights pursuant to Section 6(b). Notwithstanding the

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foregoing provisions of this Section 8(a), Senior Lender May, upon the occurrence of a Bankruptcy Default (as hereinafter defined), declare the entire principal of the Senior Note, and all accrued and unpaid interest thereon, to be immediately due and payable (such declaration being herein referred to as a "Bankruptcy Acceleration"); provided, however, that Senior Lender shall not be entitled to exercise any remedy other than such Bankruptcy Acceleration provided for in the Senior Loan Documents to the extent Subordinate Lender is in compliance with subdivisions (y) and (z) of this Section 8(a). As used in this Agreement, the term "Bankruptcy Default" means:

(1) if by the order of a court of competent jurisdiction a trustee, receiver or liquidator (I) of the Premises or any part thereof or (II) of Mortgage Borrower, shall be appointed and such order shall not be discharged or dismissed within ninety (90) days after such appointment; or

(2) if Mortgage Borrower shall file a petition in bankruptcy or for an arrangement or for reorganization pursuant to the United States Bankruptcy Code or any similar law, federal state, or if, by decree of a court of competent jurisdiction, Mortgage Borrower shall be adjudicated a bankrupt, or be declared insolvent, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or receivers of all or any part of the Premises; or

(3) if any of the creditors of Mortgage Borrower shall file a petition in bankruptcy against Mortgage Borrower or for reorganization of Mortgage Borrower pursuant to the United States Bankruptcy Code or any similar law, federal or state, and if such petition shall not be discharged or dismissed within ninety (90) days after the date on which such petition was filed.

(b) If a default or event of default occurs under the Senior Loan Documents which (i) is not susceptible of cure by Subordinate Lender (including, without limitation, a Bankruptcy Default and any default or event of default under the Subordinate Loan Documents which constitutes a default or event of default under the Senior Loan Documents which is similarly not susceptible of cure), (ii) may be cured by Subordinate Lender only by acquiring title to the Equity Interest or (iii) is a non-monetary default which Subordinate Lender shall elect not to cure, provided that Subordinate Lender shall make or cause to be made timely payment of all debt service, other than debt service that is due or becomes due by reason of any acceleration of the indebtedness evidenced by the Senior Note, Subordinate Lender, by notice given to Senior Lender within ten (10) days after receipt of notice from Senior Lender of the occurrence of such default or event of default (including, without limitation, a Bankruptcy Default and any default or event of default under the Subordinate Loan Documents which constitutes a default or event of default under the Senior Loan Documents), shall have the right, but not the obligation, to exercise its rights under the Subordinate Loan Documents or at law to realize on the pledge of the Equity Interest (I) by acquiring the Equity Interest through enforcement of the Pledge or by transfer in lieu thereof or (ii) otherwise assuming, directly or indirectly, ownership and control of the Premises (any such action, an "Equity Enforcement Action") or, if Subordinate Lender shall have been stayed or enjoined from so acting, shall have the right, but not the obligation, to initiate an Equity Enforcement Action as soon as it is no longer stayed or enjoined from doing so.

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9. Bankruptcy.

(a) In any case commenced by or against Mortgage Borrower under the United States Bankruptcy Code, as same may from time to time be amended, Senior Lender shall file a proof of claim in respect of its claims against such entity and shall promptly send to Subordinate Lender a copy thereof together with evidence of the filing with the appropriate court or other authority.

(b) To the extent any payment in respect of the Senior Loan and/or the Subordinate Loan, as the case may be (whether by or on behalf of Mortgage Borrower, as proceeds of security or enforcement of any right of set-off or otherwise), is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar laws, and such payment is recovered by, or paid over to, such trustee, receiver or other similar party, then the Senior Loan and/or the Subordinate Loan, as the case may be, or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment has not occurred and shall enjoy the same priority vis-A-vis the other loan as existed prior to such payment having been made.

10. [Intentionally Omitted].

11. Further Documents-, Estoppel Certificates

(a) Upon the demand of the other party from time to time, each of Senior Lender and Subordinate Lender hereby agrees to execute and deliver, at no expense to such party, any documents, instruments, agreements or further assurances reasonably requested by the other party in order to effectuate the agreements of the parties contained herein.

(b) Within ten (10) days after written request by the other party from time to time (but not more than twice in any six (6) month period), each of Senior Lender and Subordinate Lender shall furnish the other party with a statement, duly acknowledged and certified setting forth (i) the original principal amount of the Senior Loan or the Subordinate Loan, as the case may be, (ii) the then unpaid principal balance, (iii) the amount of all protective advances made by Senior Lender or Subordinate Lender, (iv) the amount of all accrued but unpaid interest and any other sums due and owing thereunder, (v) the then applicable rate of interest, (vi) the amount of then applicable monthly payments and (vii) whether or not Senior Lender or Subordinate Lender has delivered notice or has actual knowledge of any default(s) under the Senior Loan or the Subordinate Loan, as the case may be.

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12. Supremacy of Provisions of this Agreement. To the extent the rights and/or remedies under this Agreement limit, preclude or preempt the rights and/or remedies of Subordinate Lender under the Subordinate Loan Documents or the rights of Senior Lender under the Senior Loan Documents, then the rights and/or

remedies under this Agreement shall control, and Subordinate Lender and/or Senior Lender, as applicable, shall do no act or deed which, either directly or indirectly, adversely affects such rights and/or remedies of Senior Lender or Subordinate Lender, as the case may be, hereunder.

13. Representations and Warranties; Additional Covenants.

(a) Subordinate Lender represents and warrants that (i) the outstanding principal balance of the Subordinate Loan as of the date hereof after giving effect to the initial advance made under the Subordinate Loan Agreement on the date hereof is \$6,000,000.00, (ii) the Subordinate Loan Documents are in full force and effect and have not been amended or modified in any manner whatsoever, (iii) Subordinate Lender has the full power and authority to enter into this Agreement without the consent or approval of any other person or entity, other than those heretofore obtained and (iv) the person executing this Agreement on behalf of Subordinate Lender has the full power and authority to enter into this Agreement without the consent or approval of any other person or entity, other than those heretofore obtained.

(b) Senior Lender represents and warrants that (i) the outstanding principal balance of the Senior Loan as of the date hereof is \$14,000,000.00, and no portion of the Senior Loan remains to be advanced or readvanced, (ii) the Senior Loan Documents are in full force and effect and have not been amended or modified in any manner whatsoever, (iii) Senior Lender has not sent any notice of default under the Senior Loan Documents which remains uncured as of the date hereof and Senior Lender has no knowledge of any defaults thereunder, (iv) Senior Lender has the full power and authority to enter into this Agreement without the consent or approval of any other person or entity, other than those heretofore obtained and (v) the person executing this Agreement on behalf of Senior Lender has the full power and authority to enter into this Agreement without the consent or approval of any other person or entity, other than those heretofore obtained.

14. Choice of Law. This Agreement (a) shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, without reference to conflicts of law principles, (b) may not be changed or terminated orally, and (c) shall bind and inure to the benefit of the parties hereto and (in the case of Subordinate Lender, subject to Section 4(b) hereof) their respective successors and assigns. The word "party" shall be construed as if it read "parties" whenever the sense of this Agreement so requires.

15. Assignment. Each of Senior Lender and, subject to the other provisions of this Agreement, Subordinate Lender, may, from time to time, whether before or after any termination of this Agreement, at its discretion and without notice to or the necessity of

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obtaining consent from the other party, negotiate, assign or transfer the Senior Loan or the Subordinate Loan, as the case may be, or any interest therein, upon, except for any participant in connection with a Permitted Participation, delivery to the other party hereunder of an express written agreement by such assignee or transferee to be bound by the terms and provisions of this Agreement, accompanied by reasonable evidence of the due execution and delivery of such agreement.

16. Modifications.

(a) Subject to the provisions of Section 16(b) below, (i) neither Senior Lender nor Subordinate Lender shall be obligated to give the other notices of any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation or supplement of the Senior Loan or the Subordinate Loan, as the case may be (each, a "Modification"), and Senior Lender and Subordinate Lender each hereby expressly consents to each such Modification, and (ii) by its execution hereof, each party hereby waives any right of subrogation it may have in respect of a Modification.

(b) Notwithstanding the provisions of the foregoing Section 16(a), neither Senior Lender nor Subordinate Lender shall enter into any Modification (i) pursuant to which the principal amount of the Senior Loan or the Subordinate Loan, as the case may be, shall be increased, except (x) as the result of actions by Senior Lender or Subordinate Lender to protect the security of the Senior Mortgage or of the Subordinate Mortgage and/or any collateral security documents, instruments and agreements, executed in connection with the Senior Mortgage or the Subordinate Mortgage, as the case may be, in accordance with the then existing Senior Loan Documents or Subordinate Loan Documents, as the case may be or (y) for amounts expended by Senior Lender or Subordinate Lender to remedy a default under the Senior Loan or the Subordinate Loan, as the case may be or (z) for additional advances of the proceeds of the Subordinate Loan pursuant to the Subordinate Loan Agreement, (ii) to increase the rate of interest charged under the Senior Loan or the Subordinate Loan, as the case may be, or to modify the rate at which interest is paid, (iii) to increase the rate of default interest, the rate at which late charges are assessed or the amount of any prepayment premiums or other fees due and payable under the Senior Loan

or the Subordinate Loan, as the case may be; (iv) to decrease the term or change the amortization or repayment schedule of the Senior Loan or the Subordinate Loan, as the case may be; (v) to accelerate the dates for mandatory principal payments under the Senior Loan or the Subordinate Loan, as the case may be; (vi) to modify the manner in which payments made on account of the Senior Loan or the Subordinate Loan, as the case may be, are applied; or (vii) to increase in any other material respect any monetary obligations of the obligor under the Senior Loan Documents or the Subordinate Loan Documents, as the case may be.

17. Notices. All notices, reports, demands and other communications permitted or required to be given or furnished hereunder ("Notices") shall be in writing and shall be given (a) by hand delivery, (b) by deposit in the United States mail as first class certified mail, return receipt requested, postage paid, (c) by overnight nationwide commercial courier service in each case, to the person or

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entity intended to receive the same at the addresses set forth above, with copies to:

in the case of Senior Lender:
Citizens Bank of Pennsylvania 2001 Market Street, 6th Floor
Philadelphia, Pennsylvania 19103-7053 Attention: Real Estate Department

with a copy to:
Pepper Hamilton LLP 400 Berwyn Park 899 Cassatt Road
Berwyn, Pennsylvania 19312
Attention: David H. Huggler, Esq.

in the case of Subordinate Lender:
Solomon and Weinberg LLP 685 Third Avenue
New York, New York 10017 Attention: Jay Stark, Esq.

in the case of Mortgage Borrower:
Cedar-Camp Hill, LLC
c/o Cedar Bay Realty Advisors, Inc. 44 South Bayles Avenue, Suite 304
Port Washington, New York 11050 Attention: Leo Ullman

with copy to:
Cedar-Camp Hill, LLC
c/o Cedar Bay Realty Advisors, Inc. 44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Attention: Stuart H. Widowski, Esq.

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in the case of Cedar:
Cedar Income Fund Partnership, L.P. c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050 Attention: Leo Ullman

with a copy to:
Stuart H. Widowski, Esq. Cedar-Camp, LLC
c/o Cedar Bay Realty Advisors, Inc. 44 South Bayles Avenue, Suite 304 Port
Washington, NY 11050

Any person or entity entitled to receive or give a Notice under this Agreement may change the address to which any such Notice is to be delivered by furnishing ten (10) business days written notice of such change to the other parties in accordance with the provisions of this Section 17. Notices shall be deemed to have been given on the date they are actually received; provided, however, that the inability to deliver Notices because of a changed address of which no Notice was given, or rejection or refusal to accept any Notice effected for delivery shall be deemed to be receipt of the Notice as of the date of such inability to deliver or rejection or refusal to accept delivery. Notice for either party maybe given by its respective counsel.

18. Miscellaneous.

(a) Subordinate Lender and Senior Lender hereby irrevocably waive all rights to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement and Subordinate Lender and Senior Lender waive the right, in any such action, proceeding or counterclaim, to interpose any counterclaims (except to the extent such counterclaim is compulsory and may not be brought in a separate action) or set-offs of any kind or description.

(b) The captions of the sections of this Agreement are for the purpose of convenience only and are not intended to be a part of this Agreement and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof.

(c) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction or prohibited or unenforceable as to any person or entity shall, as to such jurisdiction, person or entity be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction or as to any other person or entity.

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(d) The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of Subordinate Lender and Senior Lender and their respective successors and assigns, and may not be relied upon or enforced by any other party-

(e) No failure or delay on the part of Senior Lender or Subordinate Lender in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

(f) Each of Senior Lender and Subordinate Lender acknowledges that to the extent that no adequate remedy at law exists for breach of its obligations under this Agreement, the other party shall have the right to obtain specific performance of, the obligations of the such party, injunctive relief or such other equitable relief as may be available.

(g) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same agreement.

(h) All personal pronouns used in this Agreement, whether used in the masculine, feminine or neutral gender, shall include all other gender's and the singular shall include the plural and vice versa.

(i) Upon satisfaction of either the Senior Loan or the Subordinate Loan, all restrictions imposed hereunder upon the holder of the other loan shall be terminated, but any causes of action or claims relating to a prior breach of this Agreement shall be reserved and shall survive such satisfaction.

IF ANY PAYMENT IS MADE BY MORTGAGE BORROWER TO SUBORDINATE LENDER AND, PURSUANT TO THE TERMS OF THIS AGREEMENT, SUBORDINATE LENDER IS REQUIRED TO AND DOES PAY OVER TO SENIOR LENDER ALL OR ANY PORTION OF SUCH PAYMENT, THEN THE AMOUNT SO PAID OVER SHALL BE DEEMED TO HAVE NEVER BEEN PAID TO SUBORDINATE LENDER AND SHALL BE DUE AND OWING FROM CEDAR TO SUBORDINATE LENDER. SUBORDINATE LENDER'S REMEDIES WITH RESPECT TO THE RECOVERY OF SUCH PAYMENT SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT. [SIGNATURE PAGE TO FOLLOW]

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SUBORDINATE LENDER. SUBORDINATE LENDER'S REMEDIES WITH RESPECT TO THE RECOVERY OF SUCH PAYMENT SHALL BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.

[SIGNATURE PAGE TO FOLLOW]

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

SENIOR LENDER:

CITIZENS BANK OF PENNSYLVANIA,
a Pennsylvania state chartered savings bank

By:
Name: Robert L. Schopf
Title: Vice President

SUBORDINATE LENDER:

SWH FUNDING CORP.
a New Jersey corporation

By:
Name:
Title:

CEDAR:

CEDAR INCOME FUND PARTNERSHIP, L.P.,
a Delaware limited partnership
Cedar Income Fund, Ltd., its sole general

partner

By: Name:
Title:

MORTGAGE BORROWER:

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TOTAL PAGE.02

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

SENIOR LENDER:

CITIZENS BANK OF PENNSYLVANIA,
a Pennsylvania state chartered savings bank

By:
Name:
Title:

SUBORDINATE LENDER:

SWH FUNDING CORP.,
a New Jersey corporation

By:
Name:
Title:

CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership
Cedar Income Fund, Ltd., its sole general partner

By:
Name:
Title:

MORTGAGE BORROWER:

CEDAR-CAMP HILL, LLC, a Delaware limited liability company, by its sole member,
as follows:

Cedar Income Fund Partnership, L.P., a Delaware limited partnership, by its sole
general partner, as follows:

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Cedar Income Fund, Ltd.,
a Maryland corporation

By: Name:
Title:

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EXHIBIT A Premises

ALL THAT CERTAIN tract of ground situate in the Borough of Camp Hill and the Township of East Pennsboro, County of Cumberland and Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at a point, said point being the right-of-way intersection of the southern right-of-way line of Trindle Road and the western right-of-way line of South 32nd Street; thence along the western right-of-way line of South 32nd Street, South 40 degrees 33 minutes 00 seconds East, a distance of 134.51 feet to a point; thence along the same, South 10 degrees 26 minutes 00 seconds East, a distance of 461.34 feet to a point; thence along the same, South 11 degrees 48 minutes 00 seconds East, a distance of 870.92 feet to a point; thence along land of Commonwealth of Pennsylvania, Ramp "H" Harrisburg Expressway the following seven (7) courses: (1) South 78 degrees 12 minutes 00 seconds West, a distance of 14.00 feet to a point; thence (2) on an arc of a curve curving to the right

having a radius of 394.00 feet, an arc length of 368.30 feet to a point; thence (3) South 41 degrees 45 minutes 28 seconds West, a distance of 1.18 feet to a point; thence (4) South 56 degrees 19 minutes 00 seconds West, a distance of 198.36 feet to a point; thence (5) along an arc of a curve curving to the right having a radius of 364.00 feet, an arc length of 247.77 feet to a point; thence (6) South 05 degrees 19 minutes 00 seconds West, a distance of 16.00 feet to a point; thence (7) North 84 degrees 41 minutes 00 seconds West, a distance of 86.77 feet to a point; thence along land now or late of Pennsylvania Real Estate Investment Trust the following four (4) courses: (1) North 24 degrees 49 minutes 00 seconds West, a distance of 99.92 feet to a point; (2) thence North 65 degrees 11 minutes 00 seconds East, a distance of 15.00 feet to a point; (3) thence North 24 degrees 49 minutes 00 seconds West, a distance of 120.00 feet to a point; (4) thence North 64 degrees 26 minutes 00 seconds East, a distance of 303.09 feet to a point; thence along the same, land now or late of Hampden Industrial Development Authority and land now or late of Charles Adler & Sons, Inc., North 24 degrees 49 minutes 00 seconds West, a distance of 1,633.31 feet to a point on the Southern right-of-way line of Trindle Road; thence along said right-of-way line, North 65 degrees 21 minutes 00 seconds East, a distance of 1,184.06 feet to a point the point of BEGINNING.

BEING THE SAME PREMISES which Mid-Island Properties, Inc., a Pennsylvania Corporation, conveyed unto Connecticut General Life Insurance Company, a Connecticut Corporation, by deed dated November 10, 2000 and recorded November 15, 2000 in Record Book 233, Page 1140.

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EXHIBIT B

Senior Loan Documents 1,2

1. Loan Agreement between Mortgage Borrower and Senior Lender
2. Promissory Note by Mortgage Borrower to Senior Lender
3. Open-End Mortgage and Security Agreement by Mortgage Borrower to Senior Lender (the "Mortgage")
4. UCC Financing Statements with respect to the Mortgage with Mortgage Borrower, as debtor, and Senior Lender, as secured party
5. Assignment of Leases and Rents by Mortgage Borrower to Senior Lender
6. General Collateral Assignment and Security Agreement by Mortgage Borrower to Senior Lender
7. Guaranty and Suretyship Agreement by Cedar Income Fund, Ltd. ("Cedar Ltd.") and Cedar in favor of Senior Lender
8. Environmental Indemnity Agreement by Mortgage Borrower in favor of Senior Lender
9. Disclosure Affidavit by Cedar Ltd. and Cedar to Senior Lender
10. Disclosure Affidavit from Mortgage Borrower to Senior Lender
11. Interest Rate Protection Agreement by Mortgage Borrower to Senior Lender
12. Lock Box Agreement between Mortgage Borrower and Senior Lender

1. Defined terms in this Exhibit B shall have the meanings ascribed to such terms in the Agreement to which this Exhibit B is annexed.

2. Each of the documents and instruments listed on this Exhibit B are dated as of the date of the Agreement to which this Exhibit B is annexed.

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EXHIBIT C

Subordinate Loan Documents, 1,2

1. Loan Agreement between Cedar and Subordinate Lender
2. Promissory Note made by Cedar in favor of Subordinate Lender
3. Pledge and Security Agreement made by Cedar in favor of Subordinate Lender (the

4. Agreement and Acknowledgement of Pledge from Mortgage Borrower
5. Agreement and Acknowledgement of Pledge from Cedar Center Holdings L.L.C.
6. UCC Financing Statements with Cedar, as debtor, and Subordinate Lender, as secured party, in respect of the Pledge.
7. Guaranty made by Cedar Ltd. in favor of Subordinate Lender.
8. Hazardous Waste Indemnity made by Cedar and Cedar Ltd. in favor of Subordinate Lender and SWH Bryant Member LLC.
9. Certification of Confirmation of Operating Agreement made by Cedar in favor of Subordinate Lender
10. Certification of Rent Roll and Leases made by Cedar in favor of Subordinate Lender
11. Certification of Service Contracts made by Cedar in favor of Subordinate Lender.

1. Defined terms in this Exhibit C shall have the meanings ascribed to such terms in the Agreement to which this Exhibit C is annexed.

2. Each of the documents and instruments listed on this Exhibit C are dated as of the date of the Agreement to which this Exhibit C is annexed.

[GRAPHIC OMITTED]

Date: 26 November 2002

Cedar-Camp Hill, LLC
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue - Suite 304
Port Washington, New York 11050

Dear Sirs:

Our Reference: CMD00039
Re: USD Amortizing Interest Rate Swap

The purpose of this document is to set forth the terms and conditions of the transaction entered into between Citizens Bank of Pennsylvania ("CBPA") and yourselves ("Counterparty") on the trade date specified below (the "Transaction"). This document will constitute a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2000 ISDA Definitions, (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation evidences a complete and binding agreement between Counterparty and CBPA as to the terms of the Transaction to which this Confirmation relates. In addition, Counterparty and CBPA agree to use all reasonable efforts promptly to negotiate, execute and deliver an agreement in the form of the ISDA Master Agreement (Multicurrency-Cross Border) (the "ISDA Form") published by the ISDA, with such modifications as Counterparty and CBPA shall in good faith agree (the "Agreement"). Upon the execution by Counterparty and CBPA of such Agreement, this Confirmation will supplement, form part of, and be subject to the Agreement. Until we execute and deliver that Agreement, this Confirmation, together with all other documents referring to the ISDA Form (each a "Confirmation") confirming transactions (each a "Transaction") entered into between us (notwithstanding anything to the contrary in a Confirmation), shall supplement, form part of, and be subject to an agreement in the form of the ISDA Form as if we had executed an agreement in such form (but without any Schedule) on the Trade Date of the first such Transaction between us. For purposes thereof, the Second Method and Loss shall apply. All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below. In the event of any inconsistency between this Confirmation and either the ISDA Form or the Agreement, this Confirmation will govern for the purpose of this transaction.

The terms of the particular transaction to which this confirmation relates are as follows:

Notional Amount	See Schedule A
Trade Date	22 November 2002
Effective Date	20 November 2002

[GRAPHIC OMITTED]

<TABLE>
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Termination Date

<C>
22 November 2004, subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Amounts
- - - - -

Fixed Rate Payer Cedar-Camp Hill, LLC

Fixed Rate Payer Payment Dates	The 20th day of each month from and including 20 December 2002 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Rate	2.79 pct
Fixed Rate Day Count Fraction	Actual/360
Floating Amounts - - - - -	
Floating Rate Payer	CBPA
Floating Rate Payer Payment Dates	The 20th day of each month from and including 20 December 2002 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate for initial Calculation Period	1.38813 pct
Floating Rate Option	USD-LIBOR-BBA
Designated Maturity	1 month(s)
Spread	None
Floating Rate Day County Fraction	Actual/360
Reset Dates	The first day of each Calculation Period.
Business Days	New York and London
Calculation Agent	CBPA
Payments to Counterparty:	
Account Number:	6202131679
Account Name:	Cedar-Camp Hill, LLC
Bank:	CBPA

</TABLE>

[GRAPHIC OMITTED]

Counterparty and CBPA represent that each party is acting for its own account and, that each party has made its own independent decisions to enter into this Transaction and as to whether this transaction is appropriate or proper for it based on its own judgement and upon advice from such advisors as it has deemed necessary. Neither party is relying upon any communication (written or oral) from the other party as investment advice or as a recommendation to enter into this Transaction. Information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No assurances or guarantees (written or oral) as to the expected results of this Transaction have been received by either party. Each party is capable of evaluating and understanding the terms, risks and conditions of this Transaction. Each party is capable of assuming, and assumes, the financial and other risks of this Transaction.

Counterparty understands that the Transaction entered into under this agreement does not constitute a deposit and is not insured by the Federal Deposit Insurance Corporation, Federal Reserve Board, Office of the Comptroller of the Currency or any state or federal banking agency.

All inquiries regarding payments and/or rate re-settings should be sent to:

CBPA:
Citizens Bank of Pennsylvania
One Citizens Plaza
Providence, RI 02903
Attn: Treasury
Michael Smith Phone 401-282-7250
 Fax 401-282-7718

Counterparty:
Cedar-Camp Hill, LLC
c/o Cedar Bay Realty Advisors, Inc
44 South Bayles Avenue - Suite 304
Port Washington, New York 11050

[GRAPHIC OMITTED]

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation enclosed for that purpose and returning it to us via mail at the address listed above.

For and on behalf of Citizens Bank of Pennsylvania

By: /s/ Kristen Silva

Name: Kristen Silva
Title: Authorized Signatory

Cedar-Camp Hill, LLC

By: /s/ Leo S. Ullman

Name: Leo S. Ullman
Title: Pres.

[GRAPHIC OMITTED]

AUTOMATIC CREDIT OR DEBIT AUTHORIZATION AND RELEASE

For valuable consideration, the receipt of which is hereby acknowledged, I hereby authorize and request Citizens Bank of Pennsylvania ("Citizens") to credit and/or debit, as the case may be, the business demand deposit account designated below (the "Account"), as follows:

(1) Citizens is hereby authorized to withdraw payment amounts to cover legal and consulting fees and expenses incurred by Citizens in connection with the negotiation and drafting of one or more (if any) ISDA Master Agreement(s) with Cedar-Camp Hill, LLC ("Customer"), including any applicable schedules, credit support annexes, confirmations, corporate resolutions or any other documents or instruments relating thereto.

(2) Citizens is hereby authorized to deposit into or withdraw from the Account payment amounts necessary to fund periodic settlement in accordance with one or more confirmations entered into between Citizens and Customer in connection with an interest rate derivative transaction, including but not limited to interest rate swap, cap or option transaction.

The undersigned also agrees, on behalf of the accountholder named below, to hold harmless Citizens and its affiliates, and the directors, officers, and employees of each of them, for any loss, liability, damages, costs or expenses of any nature associated with actions of Citizens based upon this authorization.

The account to be credited or debited in accordance with the foregoing authorization is:

Citizens Bank Account Number: 6202131679

Accountholder Business Name & Address: Cedar - Camp Hill, LLC

44 South Bayles Ave - Suite 304

Port Washington, NY 11050

Contact: Brenda Walker

Phone Number: 516-767-6492

IMPORTANT NOTE TO CUSTOMER: this authorization is intended to apply to demand deposit accounts only. Please ensure that you have entered the number of a demand deposit account in the space indicated. Citizens and its affiliates are not responsible for any losses that may be incurred as a result of your authorizing withdrawals from an account other than a demand deposit account. THIS AUTHORIZATION MUST BE SIGNED BY AN AUTHORIZED SIGNATORY ON THE CITIZENS BANK ACCOUNT LISTED ABOVE.

IN WITNESS WHEREOF, the undersigned duly authorized officer of the accountholder has executed this Automatic Credit or Debit Authorization and Release on this 4th day of December 2002.

/s/ Victor Gxxxxxxx

/s/ Leo S. Ullman

Witness

(Signature)

Name & Title: Leo S. Ullman, Pres.

STATE OF New York

COUNTY OF Nassau

On this the 4th day of December, 2002 before me, the undersigned officer personally appeared Leo S. Ullman, the duly authorized officer of Cedar-Camp Hill, LLC and acknowledged that he executed the foregoing instrument on behalf of the Customer described above.

Dolores Tartavouille

Justice of the Peace/Notary Public

DOLORES TARTAVOUILLE

Notary Public, State of New York

No. 01TA6079136

Qualified in Nassau County

Commission Expires August 12, 2006

[GRAPHIC OMITTED]

SCHEDULE A - CMD00039

Calculation Period	Notional Amount (USD)
20 November 2002 to 20 December 2002	14,000,000.00
20 December 2002 to 20 January 2003	14,000,000.00
20 January 2003 to 20 February 2003	14,000,000.00
20 February 2003 to 20 March 2003	14,000,000.00
20 March 2003 to 20 April 2003	14,000,000.00
20 April 2003 to 20 May 2003	14,000,000.00
20 May 2003 to 20 June 2003	14,000,000.00
20 June 2003 to 20 July 2003	14,000,000.00
20 July 2003 to 20 August 2003	14,000,000.00
20 August 2003 to 20 September 2003	14,000,000.00
20 September 2003 to 20 October 2003	14,000,000.00
20 October 2003 to 20 November 2003	14,000,000.00
20 November 2003 to 20 December 2003	7,000,000.00
20 December 2003 to 20 January 2004	7,000,000.00
20 January 2004 to 20 February 2004	7,000,000.00
20 February 2004 to 20 March 2004	7,000,000.00
20 March 2004 to 20 April 2004	7,000,000.00
20 April 2004 to 20 May 2004	7,000,000.00
20 May 2004 to 20 June 2004	7,000,000.00
20 June 2004 to 20 July 2004	7,000,000.00
20 July 2004 to 20 August 2004	7,000,000.00
20 August 2004 to 20 September 2004	7,000,000.00
20 September 2004 to 20 October 2004	7,000,000.00
20 October 2004 to 22 November 2004	7,000,000.00

Please note that all dates are subject to adjustment in accordance with the Modified Following Business Day Convention

CEDAR INCOME FUND, LTD.
44 South Bayles Avenue, #304
Port Washington, New York 11050

Contact: Brenda J. Walker
Vice President
(516) 767-6492

FOR IMMEDIATE RELEASE

CEDAR INCOME FUND COMPLETES PURCHASE OF CAMP HILL (PA) MALL

Port Washington, New York - November 22, 2002 - Cedar Income Fund, Ltd., a real estate investment trust listed on the NASDAQ Small Cap Market, today announced that it has completed the purchase of the Camp Hill Mall in Camp Hill, Pennsylvania.

The Camp Hill Mall is a 523,000 sq. ft. regional shopping mall with several outparcels located on approximately 44 acres at the intersection of Route 15 and Trindle Road at the Harrisburg "beltway" on the west bank of the Susquehanna. Principal tenants include Boscov's, a Giant supermarket, Barnes and Noble and Zany Brainy. The purchase price, including estimated closing costs, was in excess of \$18 million. The seller is an affiliate of the Connecticut General Life Insurance Company. Financing for the purchase was provided by Citizens Bank of Philadelphia, PA and SWH Funding Corp. of Hackensack, NJ. The sellers were represented by Metro Commercial Real Estate, Inc. of Mount Laurel, NJ and Newbridge Realty of New York City. Management contemplates redevelopment of an 89,000 sq. ft. former Montgomery Ward store and of the mall property generally at a cost of several million dollars during the next two years. Financing for such redevelopment would be required and would be expected to involve third party lenders and/or joint venturers.

Cedar Income Fund, Ltd. is a real estate investment trust administered by Cedar Bay Realty Advisors, Inc., Port Washington, New York. The Company's shopping center portfolio, consisting primarily of supermarket-anchored shopping centers in eastern Pennsylvania and southern New Jersey, exceeds 1.75 million square feet. Shares of Cedar Income Fund, Ltd. are traded on the NASDAQ Small Cap Market under the symbol "CEDR".