

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) February 6, 2003

CEDAR INCOME FUND, LTD.

(Exact name of registrant as specified in charter)

Maryland	0-14510	42-1241468
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(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

44 South Bayles Avenue, Port Washington, New York	11050
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(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code	(516) 767-6492
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(Former name or former address, if changed since last report)

Item 2. Acquisition or Disposition of Assets

Purchase of Fairview Plaza, Fairview Township, PA; Newport Plaza,
Howe Township, PA; Halifax Plaza, Halifax Township, PA

Pursuant to certain agreements, as filed herewith, for the sale/purchase of the three captioned shopping center properties located near Harrisburg, Pennsylvania, each anchored by a Giant supermarket, Cedar Income Fund Partnership, L.P. (the "Operating Partnership") through certain newly-created limited partnership entities, completed the purchase for the Fairview Plaza property on January 10, 2003 and the Newport and Halifax Plaza properties on February 6, 2003. The properties are held through an umbrella limited partnership, Fairport Associates, L.P. (sometimes hereinafter referred to as "Fairport"), in which a limited liability company (CIF-Fairport Associates, LLC, sometimes hereinafter referred to as "CIF Entities") of which the Operating Partnership is the sole member, is the sole general partner. Fairport Associates, L.P., in turn, owns 99% as limited partner in Newport Plaza Associates, L.P., Halifax Plaza Associates, L.P. and Fairview Plaza Associates, L.P., each of which owns respectively, the Newport Plaza, Halifax Plaza and Fairview Plaza shopping centers (sometimes hereinafter referred to as "Newport", "Halifax" and "Fairview", respectively). The general partner (with a 1% general partnership interest) of each of Newport Plaza Associates, L.P., Halifax Plaza Associates, L.P. and Fairview Plaza Associates, L.P. is a single-purpose limited liability company of which the Operating Partnership is the sole managing member.

The seller of the Newport Plaza and Halifax Plaza properties was Caldwell Development Company; the seller of the Fairview Plaza was Double M Development, a Pennsylvania partnership, in which Mark Caldwell, the principal of Caldwell Development Company, is also a general partner. The purchase of all three properties was negotiated at the same time. All three properties were offered as a package by the sellers. Accordingly, while the purchase of one property (Fairview Plaza) closed prior to the other two, the purchase of all three properties is being treated as a single related transaction for purposes of reporting under Item 2 of Form 8-K.

The largest tenant at each of the three respective shopping centers is Giant

Food Stores, LLC, ("Giant") with a store of approximately 59,237 sq. ft. at Fairview Plaza, 32,000 sq. ft. at Newport Plaza and 43,400 sq. ft. at Halifax Plaza. The aggregate base rents and contributions to common area maintenance, real estate taxes and insurance costs (and private sewer at Newport Plaza) for Giant in the three properties is approximately \$1,387,200 (including additional rent of approximately \$160,000 at Newport Plaza pursuant to exercise of a certain building purchase option at closing, as further described below), which amount represents approximately 61% of the total net income and contributions toward expenses for the three properties. In the event Giant's credit is reduced below BBB-, the interest rate "spread" for the loans on the Newport and Halifax properties, as further described below, will be increased from 210 to 250 basis points. In the event Giant should declare bankruptcy or should otherwise fail to honor its leases, the loss of income and the costs of replacing such tenancies and of redeveloping the respective premises for other tenants, plus lost rents pending any such re-leasing and redevelopment, would require substantial additional funds in excess of funds available to CIF-Fairport Associates, LLC, or any of its affiliated ownership entities for the properties, or the Company or Operating Partnership at this time.

Fairview Plaza is a 69,579 sq. ft. shopping center located on approximately 6.77 acres on Old York Road in Fairview Township, PA. The purchase price, exclusive of closing costs and adjustments, was \$8,000,000. Its tenants, in addition to a 59,237 sq. ft. Giant supermarket as mentioned above, include McDonald's, Subway, Pennsylvania Liquor Control Board retail store, and a regional bank.

Newport Plaza is a 66,789 sq. ft. shopping center located on approximately 12 acres on Route 34 in Howe Township, PA. The purchase price, exclusive of closing costs and adjustments, was \$4,780,000. Its tenants, in addition to a 43,400 sq. ft. Giant supermarket as mentioned above, include a Rite Aid drug store, McDonald's, Subway, Pennsylvania Liquor Control Board retail store, and a regional bank.

Halifax Plaza is a 54,150 sq. ft. shopping center located on approximately 8.5 acres on Peters Mountain Road in Halifax Township, PA. The purchase price, exclusive of closing costs and adjustments, was \$5,240,000. Its tenants, in addition to a 32,000 sq. ft. Giant supermarket as mentioned above, include a Rite Aid drug store, McDonald's, Subway, Pennsylvania Liquor Control Board retail store, and a regional bank.

The purchase of the Fairview Plaza property was funded in part by a first mortgage from General Electric Capital Corporation in the amount of \$6,080,000. The loan is for a period of ten years, at an interest rate of 5.64%, with amortization on a 30-year schedule. Annual debt service on the loan, including both interest and amortization, is approximately \$430,000. The loan is prepayable only upon payment of a penalty equal essentially to the difference between the interest cost/yield of the loan and the then-prevailing lending/borrowing rates, discounted to then-present values, for the balance of the term of the loan.

Repayment of the loan is with recourse only to the property, except that Cedar Income Fund, Ltd. (the "Company") and the Operating Partnership, are responsible, without limitation, for liability under the loan resulting from fraud or willful misrepresentation, environmental matters, misappropriation of proceeds or improper retention of certain funds within the possession of the borrower.

The loans for all three properties require liquidity in the Company and the Operating Partnership on a consolidated basis of not less than \$1 million. The loan on the Newport and Halifax properties require a combined net worth of not less than \$13 million including equity of the minority interests and limited partner. (The Fairview property was a \$5 million requirement).

The purchases of the Newport Plaza and Halifax Plaza properties were funded in part by first mortgage loans from Citizens Bank of Pennsylvania, in the respective amounts of \$3,935,000 and \$4,265,000. The loans are for a period of seven years, at an interest rate of 6.43%, with amortization at \$78,000 per annum (\$109,200 per annum after the additional \$1,600,000 loan funding) for the Newport Plaza and at \$90,000 per annum for Halifax Plaza. Annual debt service on the Newport and Halifax Plaza loans, including both interest and amortization, is approximately \$800,000 in the aggregate. The loans are prepayable without penalty except for applicable "breakage fees" under the interest rate protection agreements.

The interest rate on the Newport and Halifax loans was determined by a "spread" of 210 basis points over 30-day LIBOR (London Inter Bank Offered Rate). The borrowers entered into interest rate "swaps" for the entire amounts and terms of the respective loans, swapping 30-day LIBOR for a fixed rate of 4.33%, so as to result in a fixed rate of 6.43%.

Repayment of the loans are with recourse only to the respective properties, except that the Company and the Operating Partnership have guaranteed repayment

of 20% of each of the respective loan amounts, as well as the interest on the loans and the hedging costs, and are also responsible, without limitation, for liability under the respective loans resulting from fraud or willful misrepresentation, environmental matters, misappropriation of proceeds or improper retention of certain funds within the possession of the respective Borrowers or guarantors.

The respective borrowers paid fees to the lender of approximately \$55,300 for the loan on Newport Plaza and approximately \$42,650 for the loan on Halifax Plaza. The respective borrowers also paid fees to iCap Realty Advisors of 0.75% of the aggregate loan amounts (\$36,750 for Newport Plaza and \$36,750 for Halifax Plaza) in connection with the placement of the financing with Citizens Bank of Pennsylvania.

The total cash requirements, including the purchase price above the previously-described first mortgage financings for the three properties, plus closing costs, costs of interest rate swaps, and fees were approximately \$4,898,475. Of the cash requirements at closing, Kimco Preferred Investor III, Inc. ("Kimco Investor") funded approximately \$3,740,000. The Company has previously concluded the purchase of the Loyal Plaza Shopping Center, Williamsport, Pennsylvania, in a joint venture arrangement with another affiliate of Kimco Realty Corporation as further described in the 8-K filed for that transaction. The funds contributed by the Operating Partnership to Fairport Associates, L.P., approximately \$1,160,000, were funded from available cash, including proceeds of certain investments made in certain units of the Operating Partnership by Homburg Invest (USA) Inc. as described in an earlier 8-K filing.

APC Realty Advisors, Inc., as advisor to the Company in connection with placement of first mortgage financing with GECC and equity funding by (an affiliate of) Kimco Realty Corporation, will receive \$100,000 in cash. Such amounts are in addition to the cash contributions to equity described above.

Cedar Bay Realty Advisors, Inc. ("CBRA"), the investment advisor to the Company and the Operating Partnership, wholly-owned by Leo S. Ullman, Chairman and President of the Company, will receive acquisition fees in the aggregate amount of \$180,400 (1% of the purchase price of each of the properties in accordance with the Administrative and Advisory Agreement, as amended, currently in effect between the Company and CBRA), which will be paid by the Company out of available cash flow. Such amounts are also in addition to the cash contributions to equity described above.

The purchase price for the Newport property and the first mortgage loan balance will be increased by approximately \$1.6 million, respectively, in connection with the exercise by purchaser, pursuant to notice given on February 11, 2003 and effective sixty days thereafter, for the purchase of the building presently owned by Giant at this property. The ground under the building has been leased to date by Giant while it owned the building. The purchaser paid a \$160,000 deposit in connection with the exercise of that option. The purchase price represents the depreciated cost to Giant for the construction of the building. At closing of the purchase of the building, the amount of approximately \$1.6 million would be funded by the lender and the amount of \$160,000 advanced by the Operating Partnership will be refunded - less legal fees, transfer taxes and title charges. The additional borrowing will be at the same terms (and hedged) as the initial borrowing.

The Company intends to continue to operate the properties as shopping centers.

Management of each of the shopping centers will be vested with Brentway Management LLC, an affiliate of the Company. The management company will be entitled to standard arm's length fees for property management, leasing and construction management. Brentway Management is owned by Leo S. Ullman and Brenda Walker, directors and officers of the Company.

The Company's indirect ownership interests range from 50% of cash flow to a 30% residual sharing interest in the respective partnerships owning each of the three properties.

The partnership agreements for each of the respective properties provide essentially that Kimco Investor will be entitled to receive an amount which accrues on its capital contributions as a "preferred return" of 12.5%, after which the CIF Entities will be entitled to receive an amount which accrues on its capital contributions as a "preferred return" of 12.5%; thereafter, any excess cash flow is divided 50% to Kimco Investor and 50% to the CIF Entities. In the event of a "capital transaction" (sale or refinancing, for example) the initial proceeds of such transaction after repayment of third party debt shall be distributed as follows: first to repayment of "default capital contributions", as described below, then to "additional capital contributions", next to Kimco Investor until its initial capital contribution is reduced to zero, then to Kimco Investor until it achieves a 12.5% internal rate of return ("IRR"), then to the CIF Entities until its capital contribution balance is reduced to zero, then until it receives a 12.5% IRR, and then in accordance with the residual sharing ratio (30% to the Company and 70% to Kimco Investor). As

each of the properties, and the respective ownership entities, are all under the Fairport partnership umbrella, and all receipts/distributions are funneled to the Fairport partnership entity, and as all distributions and priority payments, are covered by the Fairport partnership agreement, any shortfall in required priority payments by any one of the three properties, will be offset by excess cash receipts from any other of the properties prior to any other distribution for the benefit of any affiliate of the Operating Partnership.

The effect of the preferred IRR arrangements with Kimco Investor will expose the Company's contributed capital, in the event of a capital transaction, to cover any shortfall in Kimco Investor's rate of return. There will not be any exposure beyond the potential inability of the CIF Entities to realize repayment of such contributed amounts (and any undistributed income). Management believes, based on its projections, that, absent unforeseen negative results for the respective shopping centers, such as a prolonged vacancy of a substantial portion of one of the shopping centers, for example, and/or a dramatic reduction in rents, the shopping centers, respectively, if sold or refinanced, should generate sufficient funds to pay such preferred returns.

Each partner shall be required to make additional contributions in proportion to their respective sharing ratios (initially 82.4% for Kimco Investor and 17.6% for the CIF Entities) if approved by the partners for the conduct of the respective partnership's business. The failure by a partner to make any additional capital contributions will generally not give rise to recourse by one partner against another.

Either party shall have the right after December 31, 2007 to initiate a procedure for offering the three properties (not just one or two of the properties) for sale for amounts in excess of any debt secured by the three properties plus unreturned capital contributions, or to initiate a "buy-sell" option for the three properties.

The foregoing discussions prepared by management of the Company may contain certain forward-looking statements within the meaning of the Securities Acts with respect to the Company's expectations for future periods. Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the actual results may differ materially from those set forth in such forward-looking statements; the Company can give no assurances that its expectations will in fact be achieved.

The above descriptions of the purchase and partnership arrangements and related matters with respect to the acquisition of the three respective properties have been prepared by management and are subject in each case to the actual terms set forth in the attached Exhibits.

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) Limited Partnership Agreement of Fairport Associates, L.P. between CIF-Fairport Associates, LLC and Kimco Preferred Investor III, Inc, dated as of January 8, 2003;
- (10.2) Agreement for the Sale of Real Estate of Fairview Plaza by and between Cedar Income Fund Partnership, L.P. and Double M Development, dated _____, 2002;
- (10.3) Limited Partnership Agreement of Fairview Plaza Associates, L.P. between CIF-Fairview Associates, LLC and Fairport Associates, L.P., dated _____, 2003;
- (10.4) Property Management Agreement (Fairview Plaza) between Fairview Plaza Associates, L.P. and Brentway Management LLC, dated January 9, 2003;
- (10.5) Loan Agreement from General Electric Capital Corp. to Fairview Plaza Associates, L.P., dated as of January ____, 2003;
- (10.6) Assignment of Leases and Rents by Fairview Plaza Associates, L.P. to General Electric Capital Corporation, dated as of January ____, 2003;
- (10.7) Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing by Fairview Plaza Associates, L.P. for the benefit of General Electric Capital Corporation, is executed as of January _____, 2003;
- (10.8) Promissory Note for Fairview Plaza Associates, L.P. to General Electric Capital Corporation, dated January ____, 2003;
- (10.9) Bill of Sale by Double M Development to Fairview Plaza Associates, L.P., dated January ____, 2003;
- (10.10) Loans to One Borrower Certificate from General Electric Capital Corp.

- to Fairview Plaza Associates, L.P. guaranteed by Cedar Income Fund, Ltd., dated January __, 2003;
- (10.11) Agreement for the Sale of Real Estate of Newport Plaza by and between Cedar Income Fund Partnership, L.P. and Caldwell Development, Inc., dated as of August __, 2002;
- (10.12) Limited Partnership Agreement of Newport Plaza Associates, L.P. between CIF-Newport Plaza Associates, LLC and Fairport Associates, L.P., dated as of January 7, 2003;
- (10.13) Property Management Agreement (Newport Plaza) between Newport Plaza Associates, L.P. and Brentway Management LLC, dated as of January __, 2003;
- (10.14) Escrow Agreement by and between Caldwell Development, Inc. and Newport Plaza Associates, L.P. and Citizens Bank of Pennsylvania, dated February __, 2003;
- (10.15) Bill of Sale by Caldwell Development, Inc. to Newport Plaza Associates, L.P., executed January __, 2003;
- (10.16) Indemnification Agreement between Mark G. Caldwell and Newport Plaza Associates, L.P. by and between Mark G. Caldwell and Newport Plaza Associates, L.P., dated February __, 2003;
- (10.17) Loan Agreement by and between Newport Plaza Associates, L.P. and Citizens Bank of Pennsylvania, dated _____, 2003;
- (10.18) Promissory Note from Citizens Bank of Pennsylvania for the benefit of Newport Plaza Associates, L.P., dated _____, 2003;
- (10.19) Open-End Mortgage and Security Agreement between Newport Plaza Associates, L.P. and Citizens Bank of Pennsylvania, dated _____, 2003;
- (10.20) Assignment of Leases and Rents by Newport Plaza Associates, L.P. and Citizens Bank of Pennsylvania, dated _____, 2003;
- (10.21) General Collateral Assignment by and between Newport Plaza Associates, L.P. and Citizens Bank of Pennsylvania, made _____, 2003;
- (10.22) Environmental Indemnity Agreement by Newport Plaza Associates, L.P. and Citizens Bank of Pennsylvania, made _____, 2003;
- (10.23) Guaranty and Suretyship Agreement by Cedar Income Fund, Ltd. and Cedar Income Fund Partnership, L.P. made in favor of Citizens Bank of Pennsylvania, made ____, 2003;
- (10.24) Interest Rate Swap Agreement (Reference: CMD00075) from Citizens Bank of Pennsylvania to Newport Plaza Associates, L.P., dated February 10, 2003;
- (10.25) Interest Rate Swap Agreement (Reference: CMD00077) from Citizens Bank of Pennsylvania to Newport Plaza Associates, L.P., dated February 11, 2003;
- (10.26) Interest Rate Swap Agreement (Reference: CMSW10001) from Citizens Bank of Pennsylvania to Newport Plaza Associates, L.P., dated February 14, 2003;
- (10.27) Agreement for the Sale of Real Estate of Halifax Plaza between Cedar Income Fund Partnership, L.P. and Caldwell Development Company, dated August __, 2002;
- (10.28) First Addendum to Agreement of Sale of Halifax Plaza between Cedar Income Fund Partnership, L.P. and Caldwell Development Company, dated August __, 2002;
- (10.29) Limited Partnership Agreement of Halifax Plaza Associates, L.P. between CIF-Halifax Plaza Associates, LLC and Fairport Associates, L.P., entered into as of January 7, 2003;
- (10.30) Property Management Agreement (Halifax Plaza) between Halifax Plaza Associates, L.P. and Brentway Management LLC, made as of January __, 2003;
- (10.31) Bill of Sale by Caldwell Development Company to Halifax Plaza Associates, L.P., executed _____, 2003;
- (10.32) Indemnification Agreement between Mark G. Caldwell and Halifax Plaza Associates, L.P. by and between Mark G. Caldwell and Halifax Plaza Associates, L.P., dated February __, 2003;
- (10.33) Loan Agreement by and between Halifax Plaza Associates, L.P. and Citizens Bank of Pennsylvania, made _____, 2003;
- (10.34) Promissory Note for Halifax Plaza Associates, L.P. to Citizens Bank of Pennsylvania, dated _____, 2003;
- (10.35) Open-End Mortgage and Security Agreement between Halifax Plaza Associates, L.P. and Citizens Bank of Pennsylvania, dated _____, 2003;
- (10.36) Assignment of Leases and Rents by Halifax Plaza Associates, L.P. and Citizens Bank of Pennsylvania, made _____, 2003;
- (10.37) General Collateral Assignment and Security Agreement by and between Halifax Plaza Associates, L.P. and Citizens Bank of Pennsylvania, made _____, 2003;
- (10.38) Environmental Indemnity Agreement by Halifax Plaza Associates, L.P. and Citizens Bank of Pennsylvania, made _____, 2003;
- (10.39) Guaranty and Suretyship Agreement by Cedar Income Fund, Ltd. and Cedar Income Fund Partnership, L.P. in favor of Citizens Bank of Pennsylvania, made _____, 2003;

- (10.40) Interest Rate Swap Agreement (Reference: CMD00079) from Citizens Bank of Pennsylvania for the benefit of Halifax Plaza Associates, L.P., dated February 11, 2003;
- (10.41) Interest Rate Swap Agreement (Reference: CMD00081) from Citizens Bank of Pennsylvania for the benefit of Halifax Plaza Associates, L.P., dated February 11, 2003;
- (99.1) Press Release issued by Cedar Income Fund, Ltd. regarding the closing of the acquisition of Fairview Plaza, New Cumberland, PA, dated January 10, 2003; and
- (99.2) Press Release issued by Cedar Income Fund, Ltd. regarding the closing of the acquisition of Newport Plaza, Newport, PA and Halifax Plaza, Halifax, PA, dated February 6, 2003.

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: February 21, 2003

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PARTNERSHIP AGREEMENT OF
FAIRPORT ASSOCIATES, L.P.

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LIMITED PARTNERSHIP AGREEMENT OF
FAIRPORT ASSOCIATES, L.P.

This Limited Partnership Agreement (this "Agreement") is entered into as of January 8, 2003, between CIF-Fairport Associates, LLC, a Delaware limited liability company (the "Developer Partner"), and Kimco Preferred Investor III, Inc., a Delaware corporation (the "Preferred Partner").

ARTICLE 1

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Act" means the Delaware Revised Uniform Limited Partnership Act, as it may be amended from time to time.

"Additional Capital Contribution" has the meaning assigned to such term in Section 6.2.

"Additional Capital Contribution Balance" means, for each Partner, the cumulative Additional Capital Contributions of that Partner less the cumulative distributions to that Partner in return thereof pursuant to Section 8.2(d).

"Additional Capital Contribution Preferred Return Balance" means, for each Partner, the cumulative accrued Preferred Return of that Partner on its Additional Capital Contribution Balance less all amounts distributed by the Partnership to that Partner in payment thereof pursuant to Sections 8.1(b) and 8.2(c).

"Adjusted Capital Account Deficit" means, with respect to any Partner for any taxable year or other period, the deficit balance, if any, in such Partner's Capital Account as of the end of such year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Partner is obligated to restore or is deemed obligated to restore as described in the penultimate sentence of Regulation Section 1.704-2(g) (1) and in Regulation Section 1.704-2(i) (5); and

(b) Debit to such Capital Account the items described in Regulation Sections 1.704-1(b) (2) (ii) (d) (4), (5), and (6).

"Affiliate" means, with respect to a Person, another Person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common

control with the Person in question. The term "control" as used in the preceding sentence means, with respect to a Person that is a corporation, the right to exercise, directly or indirectly, more than 5% of the voting rights attributable to the shares of the controlled corporation, and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled

Person.

"Approved Loans" shall mean loans made to the Partnership or the Property Partnerships which are approved in writing by the Preferred Partner. The Mortgage Loan shall be an Approved Loan.

"Bankruptcy" means, with respect to a Person, the occurrence of (1) an assignment by the Person for the benefit of creditors; (2) the filing by the Person of a voluntary petition in bankruptcy; (3) the entry of a judgment by any court that the Person is bankrupt or insolvent, or the entry against the Person of an order for relief in any bankruptcy or insolvency proceeding; (4) the filing of a petition or answer by the Person seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (5) the filing by the Person of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding for reorganization or of a similar nature; (6) the consent or acquiescence of the Person to the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties; or (7) any other event which would cause the Person to cease to be a Partner of a limited liability Partnership under Section 18-304 of the Act.

"Business Day" means any day other than Saturday, Sunday, or other day on which commercial banks in New York are authorized or required to close under the laws of the State of New York.

"Capital Account" shall have the meaning set forth in Section 9.1.

"Capital Contribution" means, with respect to each Partner, the amount of (a) cash and the initial Gross Asset Value of any property (net of liabilities assumed by the Partnership resulting from such contribution and liabilities to which the property is subject) contributed to the Partnership by that Partner plus (b) with the Preferred Partner's written consent, the amount of such Partner's payments made to creditors of the Property Partnerships after the date hereof with respect to the Property Partnerships' obligations (until such amount is reimbursed to such Partner).

"Capital Proceeds" means funds of the Partnership or the Property Partnerships arising from a Capital Transaction,

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less (a) the actual costs incurred by the Partnership or the Property Partnerships with third parties in consummating the Capital Transaction, (b) the amount of any Approved Loan repaid from such funds, and (c) reserves approved by the Partners in amounts reasonably estimated to be required to pay Partnership or Property Partnerships' expenses.

"Capital Sharing Ratios" means the percentages in which the Partners participate in, and bear, certain Partnership items specified in this Agreement. The initial Capital Sharing Ratios of the Partners are as follows:

Developer Partner	35.8%
Preferred Partner	64.2%

The above Capital Sharing Ratios are based on the acquisition of solely the Fairview Parcel. It is contemplated that after the acquisition of all of the Projects that the initial Capital Sharing Ratios of the Partners will be as follows:

Developer Partner	17.6%
Preferred Partner	82.4%

"Capital Transaction" means the sale, financing, refinancing or similar transaction of or involving any part or all of the Project or the Property Partnership Interests (including condemnation awards, payment of title insurance proceeds or casualty loss insurance proceeds [other than business interruption or rental loss insurance proceeds], to the extent such awards and proceeds are not applied to mortgage indebtedness of the Property Partnerships and not used to repair damage caused by a casualty or taking or in alleviation of any title defect).

"Certificate" shall mean a certificate of limited partnership dated December 17, 2002 filed pursuant to the Act forming the Partnership.

"Certificates" means, collectively, the Certificate, the Property LP 1 Certificate, the Property LP 2 Certificate and the Property LP 3 Certificate.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any corresponding provisions of succeeding law.

"Default Capital Contribution" has the meaning assigned to such term in Section 6.3.

"Default Capital Contribution Balance" means, for each Partner, the

cumulative Default Capital Contributions of that Partner, less the cumulative distributions to that Partner in return thereof pursuant to Section 8.2(b).

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"Default Capital Contribution Preferred Return Balance" means, for each Partner, the cumulative accrued Default Preferred Return of that Partner less all amounts distributed by the Partnership to that Partner in payment thereof pursuant to Sections 8.1(a) and 8.2(a).

"Default Loan" has the meaning assigned to such term in Section 6.3(a).

"Default Preferred Return" means, for each Partner, the cumulative amount that accrues on the balance of its Default Capital Contribution Balance at a rate equal to the greater of (a) 14% per annum and (b) the sum of the Prime Rate plus 5% per annum (in either case, compounded on the last day of each calendar year).

"Delinquent Partner" has the meaning assigned to such term in Section 6.3(a).

"Depreciation" means, for each taxable year or other period, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for the year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of the year or other period, Depreciation will be an amount which bears the same ratio to the beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for the year or other period bears to the beginning adjusted tax basis, provided that if the federal income tax depreciation, amortization, or other cost recovery deduction for the year or other period is zero, Depreciation will be determined with reference to the beginning Gross Asset Value using any reasonable method selected by the Developer Partner, subject to the Preferred Partner's approval. Notwithstanding the foregoing of this definition, if the Company has adopted the "remedial allocation method" described in Section 1.704-3(d) of the Regulations with respect to any asset, Depreciation for such asset shall be determined in accordance with Section 1.704-3(d)(2) of the Regulations, rather than in accordance with the preceding sentence.

"GAAP" means generally accepted accounting principles, consistently applied.

"General Partner" means the Partner designated as a General Partner in accordance with this Agreement, until such Person ceases to be the General Partner.

"Gross Asset Value" has the meaning assigned to it in Section 9.2.

"Imputed Closing Costs" means an amount that would normally be incurred by the Property Partnerships if the Project

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were sold for an amount specified in Articles 12 or 13 (as applicable), for title insurance premiums, survey costs, brokerage commissions (such commissions not to exceed 1.5% of the purchase price) and other commercially reasonable closing costs.

"Initial Capital Contributions" mean the initial Capital Contribution made by each Partner as set forth in Section 6.1.

"Initial Capital Contribution Balance" means, for each Partner, the total Initial Capital Contributions of that Partner, less the cumulative distributions to that Partner in return thereof pursuant to Sections 8.2(f).

"Initial Capital Contribution Preferred Return Balance" means, for each Partner, the cumulative accrued Preferred Return of that Partner on the balance of its Initial Capital Contribution Balance less all amounts distributed by the Partnership to that Partner in payment thereof pursuant to Sections 8.1(c) and 8.2(e).

"Interest Rate" means the lesser of (a) the maximum lawful rate or (b) the sum of the Prime Rate and 4% per annum.

"Lease Parameters" shall mean the lease parameters that the Developer Partner and the Preferred Partner agree upon from time to time in writing.

"Loyal Plaza Partnership Agreement" means the Amended and Restated Partnership Agreement of Loyal Plaza Associates, L.P. dated as of the date hereof between Kimco Preferred Investor IV Trust and CIF-Loyal Plaza Associates, L.P., as the same may hereafter be amended or restated.

"Loyal Plaza Preferred Partner" means the Preferred Partner (as

defined in the Loyal Plaza Partnership Agreement).

"Major Decision" has the meaning assigned to such term in Section 4.1(b).

"Management Agreement" has the meaning assigned to such term in Section 4.8.

"Mortgage Loan" means, collectively, Mortgage Loan 1, Mortgage Loan 2 and Mortgage Loan 3.

"Mortgage Loan 1" shall mean the mortgage loan to be made by General Electric Capital Corporation to Property LP 1 in the principal amount of \$6,080,000 to finance the acquisition of the Fairview Project.

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"Mortgage Loan 2" shall mean the mortgage loan to be made to Property LP 2 to finance the acquisition of the Newport Parcel.

"Mortgage Loan 3" shall mean the mortgage loan to be made to Property LP 3 to finance the acquisition of the Halifax Parcel.

"Net Cash Flow" for any period means Net Operating Income for such period less debt service on Approved Loans actually paid during such period.

"Net Operating Income" for any period means the amount by which Operating Revenues for such period exceed Operating Expenses for such period.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a given period equals the excess, if any, of the net increase, if any, in the amount of Partnership Minimum Gain during such period, over the aggregate amount of any distributions during such period of proceeds of a Nonrecourse Liability that are allocable to an increase in Partnership Minimum Gain, determined according to the provisions of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"Operating Budget" means the annual budget, prepared by the General Partner and submitted in writing to the Preferred Partner, and setting forth the estimated capital and operating expenses of the Partnership and of the Property Partnerships for the then current or immediately succeeding calendar year and for each month and each calendar quarter of such calendar year, in such detail as the Preferred Partner shall reasonably require. If (a) the Preferred Partner's Initial Capital Contribution Preferred Return Balance and Default Capital Contribution Preferred Return Balance are not each reduced to Zero Dollars (\$0.00) as of the end of any three consecutive calendar quarters (in the year preceding the Operating Budget in question), or (b) a Removal Event has occurred and is continuing, or (c) a proposed operating budget projects an increase of more than ten percent (10%) over operating expenses budgeted in the immediately preceding calendar year, then the General Partner shall be required to obtain the written approval of the Preferred Partner to such Operating Budget, which approval shall not be unreasonably withheld or delayed.

"Operating Expenses" means, for any period, amounts actually paid by the Partnership and the Property Partnerships for such period (calculated on a cash basis), for operating expenses of the Project, for capital expenditures not

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paid from the Partners' Capital Contributions, for indemnification obligations incurred under Section 4.9 and for reserves actually funded and approved by the Preferred Partner (or permitted under the current Operating Budget). Operating Expenses shall not include debt service on Approved Loans, and any non-cash expenses such as depreciation or amortization.

"Operating Revenues" means, for any period, the gross receipts of the Partnership and the Property Partnerships (calculated on a cash basis) arising from the ownership and operation of the Project and the Property Partnership Interests during such period, including proceeds of any business interruption insurance maintained by the Partnership or Property Partnerships from time to time, but specifically excluding Capital Proceeds and Capital Contributions.

"Partner Nonrecourse Debt" means "partner nonrecourse debt" as defined in Regulations Sections 1.704-2(b)(4).

"Partner Nonrecourse Debt Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Partner Nonrecourse Deductions" means "partnership nonrecourse

deductions" as defined in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"Partners" means the Preferred Partner, the Developer Partner, and each Person hereafter admitted as a Partner in the Partnership in accordance with this Agreement, until such Person ceases to be a Partner of the Partnership.

"Partnership" means Fairport Associates, L.P., a Delaware limited partnership, or any successor thereto.

"Partnership Interests" means all of the rights and interests of whatsoever nature of the Partners in the Partnership, including without limitation the right to participate in management to the extent herein expressly provided, to receive distributions of funds, and to receive allocations of income, gain, loss, deduction, and credit.

"Partnership Minimum Gain" means "partnership minimum gain" as defined in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Payment Agreement" means the Payment Agreement dated as of the date hereof among Cedar Income Fund Ltd., Cedar Income Partnership, L.P. and Loyal Plaza Preferred Partner, as the same may be amended from time to time.

"Person" means an individual or entity.

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"Preferred Return" means, for each Partner, an amount that accrues at the per annum rate (a) of 12.5% on Capital Contributions (excluding Default Capital Contributions) and (b) equal to the Interest Rate on all Default Capital Contributions. The Preferred Return shall accrue on all Capital Contributions from the date such contributions are made until they are returned to the contributing Partner. The Preferred Return of the Partners shall be cumulative but shall not be compounded.

"Prime Rate" means, for each calendar month, the highest prime rate reported in the Money Rates column or section of The Wall Street Journal published on the second business day of that month, as having been the rate in effect for corporate loans at large U.S. money center commercial banks (whether or not such rate has actually been charged by any such bank) as of the first calendar day of such month. If The Wall Street Journal ceases publication of the Prime Rate, the "Prime Rate" shall mean the prime rate (or base rate) announced by The Chase Manhattan Bank, N.A., New York, New York (whether or not such rate has actually been charged by such bank). If such bank discontinues the practice of announcing the Prime Rate, the "Prime Rate" shall mean the highest rate charged by such bank on short-term, unsecured loans to its most creditworthy large corporate borrowers.

"Profits" and "Losses" mean, for each taxable year or other period, an amount equal to the taxable income or loss of the Partnership and the Property Partnerships for the year or other period, determined in accordance with Section 703(a) of the Code (including all items of income, gain, loss or deduction required to be stated separately under Section 703(a)(1) of the Code), with the following adjustments:

1. Any income that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses will be added to taxable income or loss;

2. Any expenditures described in Code Section 705(a)(2)(B) or treated as Section 705(a)(2)(B) expenditures under Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses, will be subtracted from taxable income or loss;

3. Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Gross Asset Value of the property, notwithstanding that the adjusted tax basis of the property differs from its Gross Asset Value;

4. In lieu of depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there will be taken into account Depreciation for the taxable year or other period;

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5. Any items which are specially allocated under Section 9.3(c), 9.3(d), or 9.3(e) will not affect calculations of Profits or Losses; and

6. If the Gross Asset Value of any Partnership asset is adjusted under Section 9.2(b) or 9.2(c), the adjustment will be taken into account as gain or loss from disposition of the asset for purposes of computing Profits or Losses.

"Projects" means, collectively, the land and the improvements located thereon known as (i) Fairview Plaza, located in Fairview Township, York County,

Pennsylvania, consisting of approximately 6.7 acres with a shopping center constructed thereon ("Fairview Parcel"), (ii) if acquired by Property LP 2, Newport Plaza, located in Howe Township, Perry County, Pennsylvania, consisting of approximately 12 acres with a shopping center constructed thereon ("Newport Parcel") and (iii) if acquired by Property LP 3, Halifax Plaza, located in Halifax Township, Dauphin County, Pennsylvania, consisting of approximately 8.5 acres with a shopping center constructed thereon ("Halifax Parcel"). "Project" means any one of the parcels in the Projects.

"Property LP 1" means Fairview Plaza Associates, LP, a Delaware limited partnership.

"Property LP 2" means Newport Plaza Associates, LP, a Delaware limited partnership.

"Property LP 3" means Halifax Plaza Associates, LP, a Delaware limited partnership.

"Property LP 1 Certificate" means the certificate of limited partnership dated December 16, 2002 filed pursuant to the Act forming Property LP 1.

"Property LP 2 Certificate" means the certificate of limited partnership, as amended and approved by the Partners, and filed pursuant to the Act forming Property LP 2.

"Property LP 3 Certificate" means the certificate of limited partnership, as amended and approved by the Partners, and filed pursuant to the Act forming Property LP 3.

"Property Partnerships" means, collectively, Property LP 1, Property LP 2 and Property LP 3.

"Property Partnership Interests" means 100% of the partnership interests in the Property Partnerships.

"Property Partnership Agreement" shall mean the partnership agreement for Property LP 1 dated as of the date hereof and the partnership agreements for Property LP 2 and Property LP 3 each to be entered into by the Partnership upon

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acquisition of, respectively, the Newport Parcel and the Halifax Parcel, as the same may be amended with Preferred Partner's written consent.

"Regulations" means the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Regulations shall include any corresponding provisions of succeeding, similar, substitute proposed or final Regulations.

"Regulatory Allocations" has the meaning assigned to it in Section 9.4(d).

"Removal Event" has the meaning assigned to such term in Section 4.4.

"Residual Sharing Ratios" means the percentages in which Partners participate in distributions arising from Capital Proceeds after prior distributions as more particularly set forth in Section 8.2. The initial Residual Sharing Ratios of the Partners are as follows:

Developer Partner	49.495%
Preferred Partner	50.505%

The above Residual Sharing Ratios are based on the acquisition of solely the Fairview Parcel. It is contemplated that after the acquisition of all of the Projects that the initial Residual Sharing Ratios of the Partners will be as follows:

Developer Partner	29.293%
Preferred Partner	70.707%

The Residual Sharing Ratios are subject to change as set forth in Section 4.4.

"Sharing Ratios" means the percentages in which the Partners participate in, and bear, certain Partnership items specified in this Agreement. The initial Sharing Ratios of the Partners are as follows:

Developer Partner	49.495%
Preferred Partner	50.505%

The Sharing Ratios are subject to change as set forth in Section 4.4.

"Transfer" means, with respect to a particular property, right or

interest, the assignment, sale, transfer, pledge, disposition, hypothecation, mortgage, pledge or the grant of a lien or security interest in such right or interest (or any part thereof), whether voluntarily,

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involuntarily or by operation of law, and whether for consideration or no consideration.

"12.5% IRR Threshold" means the amount which must have been received by a Partner in order that the Partner will have (a) received the return of all of its Capital Contributions and (b) achieved a 12.5% Internal Rate of Return.

"12.5% Internal Rate of Return" means, with respect to a Partner, a 12.5% cumulative rate of return on such Partner's investment in the Partnership, which shall be satisfied as of a given date when the difference between (a) the present value (defined hereinafter) of the Partner's Capital Contributions to the Partnership, less (b) the present value of distributions to such Partner from the Partnership pursuant to Sections 8.1 and 8.2, equals zero. The present value of all such distributions and Capital Contributions shall be calculated by discounting such amounts monthly (on the last day of each month) from the date such distribution or Capital Contribution was made, back to the date (the "Initial Date") the Partner made its Initial Capital Contribution, using a monthly discount rate of 0.9864%. For example, a Partner shall have received a 12.5% Internal Rate of Return upon its receipt of a cumulative amount of distributions that cause (a) the present value as of the Initial Date of the Partner's Capital Contributions, discounted monthly at a rate of 0.9864% from the date of each such Capital Contribution (it being understood that the Capital Contribution made by a Partner on the Initial Date shall have a present value equal to the amount of such Capital Contribution), reduced by (b) the present value (as of the Initial Date) of the aggregate of all distributions to such Partner, discounted monthly (on the last day of each month) at a rate of 0.9864% from the date of each such distribution, to equal zero. The Internal Rate of Return shall be calculated on the basis of the actual number of days elapsed over a 365 or 366-day year, as the case may be.

ARTICLE 2

ORGANIZATIONAL MATTERS; PURPOSE; TERM

Section 2.1. Formation of Partnership. The Partnership has been organized as a Delaware limited partnership by filing the Certificate under the Act.

Section 2.2. Name. The name of the Partnership shall be Fairport Associates, L.P., and all Partnership business must be conducted in that name or such other name as the General Partner and the Preferred Partner approve.

Section 2.3. Registered Office; Registered Agent; Principal Office. The registered office and the registered agent of the Partnership shall be as specified in the Certificate or as designated by the General Partner with the Preferred Partner's approval. The principal office of the

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Partnership shall be at c/o SKR Brentway, 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, or at such other location as the General Partner and the Preferred Partner approve.

Section 2.4. Foreign Qualification. Before the Partnership conducts business in any jurisdiction other than Delaware, the General Partner shall cause the Partnership to comply with all requirements necessary to qualify the Partnership as a foreign limited partnership in that jurisdiction. At the request of the General Partner, each Partner shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue, or terminate the Partnership as a foreign limited liability Partnership in all jurisdictions in which the Partnership may conduct business.

Section 2.5. Purpose and Scope; Actions Consistent with Certificate. The purposes and scope of the Partnership's activities are strictly limited to acquiring, maintaining, owning, leasing, and selling the Property Partnership Interests; financing the foregoing activities; and performing all other activities reasonably necessary or incidental to the furtherance of such purposes. The Partnership shall not take any action inconsistent with the Certificate and, to the extent of any inconsistencies between this agreement and the provisions of the Certificate, provisions of the Certificate shall control. The Partnership shall conduct its business at all times so as to comply with the requirements of the Certificate.

Section 2.6. Term. The Partnership shall commence on the effective date of the Certificate and shall terminate on January 31, 2038, unless sooner dissolved as herein provided.

ARTICLE 3

Section 3.1. Partners. The initial Partners of the Partnership are the Preferred Partner and the Developer Partner, each of which is admitted to the Partnership as a Partner as of the date hereof.

Section 3.2. Dispositions of Partnership Interests.

(a) General Restriction. Property Partnership Interests may not be Transferred. No Partner may Transfer all or any portion of its Partnership Interest, except with the consent of the other Partner or as permitted in Sections 3.2(b) or 3.2(c). Any attempted Transfer of all or any portion of a Partnership Interest, other than in strict accordance with this Section 3.2, shall be void. Except as permitted in Sections 3.2(b) or 3.2(c), a Person to whom a Partnership Interest is

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Transferred may be admitted to the Partnership as a Partner only with the consent of the other Partner, which may be given or withheld in the other Partner's sole and absolute discretion. In connection with any Transfer of a Partnership Interest or any portion thereof, and any admission of an assignee of a Partnership Interest as a Partner, the Partner making such Transfer and the assignee shall furnish the other Partner with such documents regarding the Transfer as the other Partner may reasonably request (in form and substance reasonably satisfactory to the other Partner), including a copy of the Transfer instrument, a ratification by the assignee of this Agreement (if the assignee is to be admitted as a Partner), a legal opinion that the Transfer complies with applicable federal and state securities laws, and a legal opinion that the Transfer will not result in the Partnership's termination under Section 708 of the Code. For purposes hereof, a Transfer shall be deemed to have occurred with respect to a Partner's Partnership Interest upon any Transfer of an interest in that Partner or in any entity which directly or indirectly controls such Partner.

(b) Permitted Transfers of Developer Partner. The Developer Partner may Transfer all or a portion of its Partnership Interest (direct or indirect) with the consent of Preferred Partner, such consent not to be unreasonably withheld, to any Affiliate of the Developer Partner (in which Developer Partner owns at least a 51% interest) or to an Affiliate of Cedar Income Fund Partnership, L.P. (in which Cedar Income Fund Partnership, L.P., directly or indirectly, owns at least a 51% interest) and, at the election of the Developer Partner, upon any such Transfer that transferee shall be admitted as a Partner. Transfers of interest in the Developer Partner may also be made (without Preferred Partner's consent) to Affiliates of Developer Partner or Cedar Income Fund Partnership, L.P. so long as not more than 49% of such interests, in the aggregate, are Transferred and Preferred Partner receives prior written notice thereof. Transfers of interests in Cedar Income Fund Partnership, L.P. may be made at any time without Preferred Partner's consent.

(c) Permitted Transfers of Preferred Partner. The Preferred Partner may Transfer all or a portion of its Partnership Interest (1) to any Affiliate of Kimco Realty Corporation (in which Kimco Realty Corporation holds directly or indirectly at least a 40% interest and Kimco Realty Corporation (or an entity 100% controlled directly or indirectly by Kimco Realty Corporation) retains management authority over the Partnership Interest and also retains the right to give all required consents permitted to be given by the Preferred Partner hereunder) and, at the election of the Preferred Partner, upon any such Transfer that transferee shall be admitted as a Partner or (2) without ceasing to be a Partner, to any other Person so long as the Preferred Partner retains management authority over such Partnership Interest and the right to give all required consents permitted to be given by the Preferred Partner hereunder.

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Section 3.3. Creation of Additional Partnership Interests. Additional Partnership Interests may be created and issued to existing Partners or to other Persons, and such other Persons may be admitted to the Partnership as Partners, with the approval of the General Partner and the Preferred Partner, on such terms and conditions as the General Partner and the Preferred Partner may determine at the time of admission. The General Partner may reflect the admission of any new Partners or the creation of any new class or group of Partner in an amendment to this Agreement which shall be valid if executed by the General Partner and Preferred Partner.

Section 3.4. Resignation; Redemption. A Partner may not resign or withdraw from the Partnership without the consent of the other Partners. A Partnership Interest may not be redeemed or purchased by the Partnership without the written consent of the Preferred Partner.

Section 3.5. Information. In addition to the other rights specifically set forth in this Agreement, each Partner is entitled to the following information under the circumstances and conditions set forth in the Act: (a) true and full information regarding the status of the business and financial condition of the

Partnership; (b) promptly after becoming available, a copy of the Partnership's federal, state and local income tax returns for each year; (c) a current list of the name and last known business, residence or mailing address of each Partner and General Partner; (d) a copy of this Agreement, the Partnership's certificate of formation, and all amendments to such documents; (e) true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner; and (f) other information regarding the affairs of the Partnership to which that Partner is entitled pursuant to Section 17-305 of the Act (including all Partnership books and records). Under no circumstances shall any information regarding the Partnership or its business be kept confidential from any Partner.

Section 3.6. Liability to Third Parties. No Partner shall be liable for the debts, obligations or liabilities of the Partnership.

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ARTICLE 4

MANAGEMENT OF PARTNERSHIP AND THE PROPERTY PARTNERSHIPS

Section 4.1. Management.

(a) General Partner; Property Partnerships. The Developer Partner shall initially be the sole General Partner. The General Partner shall manage the affairs of the Partnership and make all decisions with regard thereto, except where (1) the Preferred Partner's approval is required under this Agreement or (2) the approval of any of the Partners is expressly required by a non-waivable provision of applicable law. The Preferred Partner shall have sole authority to enforce any agreement between the Partnership (or the Property Partnerships) and the Developer Partner (or its Affiliates) and to make all determinations on behalf of the Partnership (or the Property Partnerships) with respect thereto, which determinations shall be reasonably made. The Partnership shall at all times own 99% of the Property Partnership Interests. Neither the Partnership nor the General Partner shall have any authority to (a) admit any additional partners into the Property Partnerships or (b) Transfer (or cause to be Transferred) any of the Property Partnership Interests, in each case without the written consent of the Preferred Partner. The General Partner shall at all times be a special purpose entity having no assets (other than its interest in the Partnership) and no liabilities (other than those associated with the Partnership).

(b) Actions Requiring Approval of the Preferred Partner. Neither the General Partner nor the Partnership may take any action described below (the "Major Decisions"), or approve of either of the Property Partnerships taking any action described below, unless it has been approved in writing by the Preferred Partner and General Partner (and any such action taken without Preferred Partner's written consent shall be null and void):

(1) Any sale, transfer, exchange, mortgage, financing, hypothecation or encumbrance (except as otherwise provided in this Agreement) of all or any part of a Project or any Property Partnership Interests, or any lease of an entire Project; however, the General Partner may make (or approve) incidental sales, exchanges, conveyances, or transfers of Partnership or Property Partnership personalty or fixtures in the ordinary course of business if such transaction, together with all other such transactions in the calendar year in question, involves property having a value or sales price of less than \$25,000 in the aggregate. The Partners approve the assumption by the Partnership of the Mortgage Loan and the Partners approve the execution by the Partnership of any document necessary to evidence or secure the obligation of the Partnership to assume, repay and secure the Mortgage Loan. Notwithstanding the foregoing, if the Developer Partner or any

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Affiliate of the Developer Partner is the General Partner, no sale, transfer or exchange of a Project shall be permitted prior to and including January 31, 2008.

(2) Intentionally Omitted.

(3) Determination of the terms and conditions of all borrowings of the Partnership and the Property Partnerships and the identity of the lender thereof; guaranty the debt of any other Person, or permit the Partnership or the Property Partnerships to incur any debt or other obligations other than Approved Loans or trade payables with respect to the Project. The Preferred Partner has approved the Mortgage Loan as a permitted borrowing of the Property Partnerships. Notwithstanding the provisions of Sections 4.1(b)(1), 4.1(b)(3) and 4.1(b)(7), the General Partner may at any time, without the consent of the Preferred Partner, cause the Property Partnerships to refinance the Mortgage Loan or any other Approved Loan with an institutional lender on terms no less favorable than those in effect at the time of the refinance, so long as (a) Preferred Partner receives notice of such refinancing at least thirty (30) days

prior to closing and also receives copies of all loan document drafts prior to closing and (b) such refinancing does not require payment of any prepayment premium, yield maintenance fee or similar fee to the existing lender (which, when considered together with all other terms of such refinancing, would result in overall terms less favorable than those in effect at the time of such refinance).

(4) Making any expenditure or incurring any obligation by or for the Partnership or a Property Partnership, or approving any such expenditure or obligation to be made or incurred by the Property Partnerships, in excess of 120% of the amount set forth therefor on an Operating Budget; however, if emergency repairs to a Project are necessary to avoid imminent danger of injury to the Project or to an individual, the General Partner may cause the Property Partnerships to make such expenditures as may be necessary to alleviate such situation and shall promptly notify the Preferred Partner in writing of the event giving rise to such repairs and the actions taken with respect thereto.

(5) Requiring Additional Capital Contributions (other than Additional Capital Contributions required to be made pursuant to Section 6.2).

(6) Approval of the execution of any lease of any part or all of a Project, the form of lease agreements, guidelines for minimum rental rates, minimum and maximum length of lease terms, brokerage commissions, credit standing of tenants, and approval of any lease amendments which extend the lease term by more than one year (unless the right to extend is set forth in the lease), reduce the rent or give a tenant additional rights or options; notwithstanding the foregoing, the

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Property Partnerships shall be permitted (without the consent of Preferred Partner) to execute leases and lease amendments that (i) meet the Lease Parameters and (ii) are on a form of lease or lease amendment that has been approved by the Preferred Partner. The Partnership may also execute lease amendments without the written consent of the Preferred Partner if the lease amendment does not extend the lease term by more than one year.

(7) Approval of property manager, leasing agents, management agreements, construction contracts, and brokerage agreements for a Project; insurance coverages, the underwriters thereof and claims related thereto; zoning changes, reciprocal operating agreements, cross-easement agreements and similar agreements; annual Operating Budgets, including the amount of reserves for capital improvements, replacements and purchases, tenant improvements, and leasing commissions included in such Operating Budget; material modifications of any of the foregoing; and all matters relating to a Project's compliance with environmental, health, access, and other laws, if and to the extent that any of the foregoing agreements or actions to be entered into or taken by the Partnership shall be outside the ordinary course of business of the Partnership (unless approval of a particular matter is required by another express term of this Agreement), although General Partner shall provide Preferred Partner with copies of any of the foregoing items before finalizing such items whether or not Preferred Partner's approval is required; and provided further that all insurance coverages shall comply with insurance required by any Mortgage Loan and all liability policies shall name Preferred Partner as an additional insured.

(8) Using or referencing in any way the name of, or any affiliation with, the Preferred Partner or any of its Affiliates in any advertising.

(9) Taking of any legal action (including the filing of any bankruptcy or insolvency proceeding by or on behalf of the Partnership or the Property Partnerships), except approval of a Property Partnership initiating action to collect rentals and other amounts payable to the Property Partnerships under leases and other occupancy agreements affecting the Project and evicting tenants and terminating the leases of tenants who are in default under their leases and defending against tenant claims and liability claims for which the Partnership or the Property Partnerships maintain insurance (except that the Property Partnerships may not terminate any lease of a tenant who is not in default under its lease without the Preferred Partner's written consent).

(10) Filing of any petition or consenting to the filing of any petition that would subject the Partnership or a Property Partnership to a Bankruptcy.

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(11) Entering into, or permitting a Property Partnership to, enter into any agreement with the Developer Partner or an Affiliate of the Developer Partner.

(12) Merging or consolidating the Partnership, or permitting a Property Partnership to merge or consolidate, with or into any Person, or dissolving, terminating or liquidating the Partnership or a Property Partnership.

(13) Amend or terminate any of the Certificates, or amend or terminate a Property Partnership Agreement.

(14) Permit a Property Partnership to enter into any leases (or amendments of leases) of the Project or undertake any other activity if the rent from Project leases would (assuming the Preferred Partner were the sole owner of a Project) fail to qualify as "rents from real property" (as such term is defined in ss. 856 of the Code) or would subject Preferred Partner or Kimco Realty Corporation to taxes under sections 857 or 4981 of the Code. For example, a "percentage rent" or other provision in a lease providing for payment of a portion of rent based on the income or profits of a tenant, unless such clause is based on a fixed percentage or percentages of gross receipts or gross sales, would be prohibited unless consented to by the Preferred Partner. (Such a percentage rent clause may be based upon gross receipts or sales in excess of a fixed dollar amount, but only if (i) the fixed dollar amount does not depend in whole or in part on the income or profits of the tenant, and (ii) the percentage and the fixed amount must be fixed at the time the lease is executed and may not be renegotiated during the term of the lease).

(15) Permit a Property Partnership to approve a sublease at a Project having any percentage rent clauses, other than percentage rent clauses complying with the immediately preceding subparagraph 14.

(16) Engage directly in construction activities without using an independent contractor or independent subcontractors (for example, construction of tenant improvements) without the written consent of the Preferred Partner, unless the costs of such construction activities are within the Approved Budget or are otherwise approved by the Preferred Partner.

(17) Permit the Partnership or a Property Partnership to increase, modify, consolidate, prepay, or extend any Approved Loan. Notwithstanding the provisions of Sections 4.1(b)(1), 4.1(b)(3) and 4.1(b)(7), the General Partner may at any time, without the consent of the Preferred Partner, cause a Property Partnership to refinance the Mortgage Loan or any other Approved Loan with an institutional lender on terms no less favorable than those in effect at the time of the refinance, so long as (a) Preferred Partner receives notice of such

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refinancing at least thirty (30) days prior to closing and also receives copies of all loan document drafts prior to closing and (b) such refinancing does not require payment of any prepayment premium, yield maintenance fee or similar fee to the existing lender (which, when considered together with all other terms of such refinancing, would result in overall terms less favorable than those in effect at the time of such refinance).

(18) Make any loans to a Property Partnership, any Partner, any Affiliate of a Partner, or any other party.

(19) Cause the Partnership or a Property Partnership to make any distribution of property in kind to any Partner.

(20) Change the nature of the business conducted by the Partnership or any of the Property Partnerships.

(21) Take any action inconsistent with the Certificates.

(c) Obligations of the General Partner. The General Partner shall discharge its duties in a good and proper manner as provided for in this Agreement. The General Partner, on behalf of the Partnership, shall in good faith use all reasonable efforts to implement all Major Decisions approved by the Preferred Partner, enforce agreements entered into by the Partnership, and conduct the ordinary business and affairs of the Partnership in accordance with good industry practice and this Agreement. The General Partner shall not delegate any of its rights or powers to manage and control the business and affairs of the Partnership without the prior written consent of the Preferred Partner.

(d) Operating Budgets. The Partnership and the Property Partnerships shall operate under an annual Operating Budget, a draft of which shall be prepared and submitted by the General Partner to the Preferred Partner for approval. After a draft annual Operating Budget has been approved, the General Partner shall use diligent good faith efforts to implement the Operating Budget on behalf of each Property Partnership and may cause the Property Partnerships to incur the expenditures and obligations therein provided. Within 45 days after the date hereof the General Partner shall prepare and submit to the Preferred Partner for approval a proposed Operating Budget for the period beginning with the anticipated acquisition date of the first Project (and within 45 days of the acquisition of the other two Projects if acquired in the year 2003) and ending on December 31, 2003. If an Operating Budget is not approved by the Preferred Partner by the acquisition date of any of the Projects, the General Partner may incur commercially reasonable expenses to operate such Project; however, no expenditures shall be made for capital items, to Affiliates of the Developer

with the Property Management Agreement), or in excess of \$10,000 without the approval of the Preferred Partner. Thereafter, the General Partner shall deliver to the Preferred Partner for approval a proposed Operating Budget for each calendar year by November 1 of the preceding calendar year. Provided that the Preferred Partner receives the proposed Operating Budget for each calendar year by November 1 of the preceding calendar year, together with all supporting information necessary for the Preferred Partner to review the Operating Budget, the Preferred Partner will approve, reject, or provide changes to the Operating Budget by December 15 of the year in which the proposed Operating Budget was submitted to the Preferred Partner. If an Operating Budget for any calendar year has not been approved by January 1 of that year, the Partnership shall continue to operate under the Operating Budget for the previous year with such adjustments as may be necessary to reflect deletion of non-recurring expense items set forth on the previous Operating Budget and increased insurance costs, taxes, utility costs, and debt service payments; however, no payments or reimbursements to the Developer Partner or any of its Affiliates (other than payment of the management fee in accordance with the previous Operating Budget and reimbursements to the Property General Partner for out-of-pocket expenses incurred in connection with a Project and in accordance with the previous Operating Budget) nor capital expenditures (other than deposits into the Capital Reserve) shall be made by the Partnership or the Property Partnerships for that year until an Operating Budget for such year is approved, unless the Preferred Partner specifically consents thereto in writing. Notwithstanding anything to the contrary set forth in this Section 4.1(d), although the General Partner shall be required to submit an annual Operating Budget to the Preferred Partner, the General Partner shall only be required to obtain the Preferred Partner's consent to or approval of such Operating Budget if required under the definition of "Operating Budget".

Section 4.2. Meetings of Partners.

(a) Regular Meetings. The Partners shall hold annual meetings after the General Partner submits an Operating Budget to the Preferred Partner for its review, to discuss the Projects, and to discuss such other matters regarding Partnership business as the Partners may elect. Any such meeting may be held by phone with the written consent of the Preferred Partner.

(b) Special Meetings. Special meetings of the Partners may be called by the General Partner or by the Preferred Partner at any time by delivering at least two-business days' prior notice thereof to the other Partner to discuss such matters regarding Partnership business as the Partners may elect. Any such meeting may be held by phone with the written consent of the Preferred Partner.

(c) Procedure. Each Partnership meeting shall be held at the principal place of business of the Partnership, unless the Partners otherwise agree. Attendance of a Person at a meeting shall constitute a waiver of notice of such meeting, unless such Person attends the meeting for the purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. A Person may vote at such meeting by written proxy executed by that Person and delivered to a General Partner or Partner. A proxy shall be revocable unless it is stated to be irrevocable. Any action required or permitted to be taken at such meeting may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the General Partner and the Partners that would be necessary to take the action at a meeting at which all Partners were present and voted. Any meeting may take place by means of telephone conference, video conference, or similar communication equipment by means of which all Persons participating therein can hear each other.

Section 4.3. Intentionally Omitted.

Section 4.4. Removal of General Partner. The General Partner may be removed by the Preferred Partner as provided herein under the following circumstances (each, which is not cured by the Developer Partner within the period set forth herein, a "Removal Event"):

(a) A Transfer in violation of Section 3.2(a) occurs, or CIF-Fairview Plaza Associates, LLC ceases at any time to be the sole general partner of Property LP 1, or CIF-Newport Plaza Associates, LLC ceases at any time to be the sole general partner of Property LP 2, or CIF-Halifax Plaza Associates, LLC ceases at any time to be the sole general partner of Property LP 3, or a Transfer of any Property Partnership Interests occurs, or Developer Partner or any general partner of a Property Partnership (1) commits a criminal act (which has an adverse effect on the Partnership, a Property Partnership or the Preferred Partner), (2) misapplies any funds derived from the Project, including security deposits, insurance proceeds or condemnation awards, which action has an adverse effect on the Partnership, a Property Partnership or the Preferred Partner; (3) commits fraud, misrepresentation, gross negligence or willful misconduct (which has an adverse effect on the Partnership, a Property

Partnership or the Preferred Partner); (4) fails to maintain insurance as required by this Agreement or to pay or provide for payment of any taxes or assessments affecting a Project provided that funds are available to the Partnership with which to do so (which has an adverse effect on the Partnership, a Property Partnership or the Preferred Partner); or (5) intentionally damages or destroys the Project, or any part thereof not covered by insurance.

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(b) Failure of the Developer Partner to make Additional Capital Contributions so that the outstanding aggregate amount of all unpaid Additional Capital Contributions of the Developer Partner exceed \$600,000 (for purposes hereof any Additional Capital Contribution made by a Default Loan to the Developer Partner shall constitute a failure to make such Additional Capital Contribution by Developer Partner).

(c) Bankruptcy of the Partnership or of any of the Property Partnerships.

(d) The liquidation or dissolution of the General Partner.

(e) Bankruptcy of the General Partner (a "Bankruptcy Removal Event").

(f) The occurrence of a material default by an Affiliate of the Developer Partner under any management or other service contract between the Partnership (or a Property Partnership) and an Affiliate of the Developer Partner and the General Partner's failure within thirty (30) days of the giving of notice thereof by the Preferred Partner to the Developer Partner to cause such contract to be terminated and replaced with a contract with a non-affiliated third party.

(g) A Major Decision is made or taken without Preferred Partner's written consent (and, in the case of Major Decisions specified in clauses (2), (4), (6), (7), (9) or (16) taken without Preferred Partner's written consent, there is an adverse effect to either the Partnership or Preferred Partner as a result of the action so taken).

(h) The Partnership fails to make a distribution to Preferred Partner as and when required pursuant to Sections 8.1 or 8.2.

(i) The material breach by Developer Partner of a covenant set forth in this Agreement, the breach of which is not otherwise specified in this Section 4.4.

If Preferred Partner shall have reasonably determined that a Removal Event has occurred, Preferred Partner shall give written notice thereof to Developer Partner together with a detailed specification of the claimed Removal Event and the circumstances thereof. If such Removal Event shall be reasonably susceptible of cure, Developer Partner shall have the right to cure such Removal Event within the thirty (30) day period following receipt of notice thereof from the Preferred Partner. Notwithstanding anything in this paragraph to the contrary, however, (i) no cure rights shall be available with respect to Removal Events specified in Sections 4.4(a)(1), (2), (3) and (5) and Section 4.4(c) or (e) and (ii) if the notice is given by Preferred Partner with respect to a Removal Event

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specified in Section 4.4(a)(4) or 4.4(h) the cure period shall be 5 business days. If Developer Partner shall fail to cure such Removal Event within such thirty (30) day period, then, subject to the rights of Developer Partner and Preferred Partner to cause such matter to be submitted to arbitration, the Preferred Partner may remove Developer Partner as the General Partner, in which event (i) the Preferred Partner may appoint itself or an Affiliate of the Preferred Partner, or a third party, as General Partner. If the Removal Event arises because of an event specified in Sections 4.4(a)(1), (2), (3) or (5), 4.4(g) (which has an adverse effect on the Partnership, a Property Partnership or Preferred Partner), or 4.4(h), the Preferred Partner may at any time elect (by written notice to the Developer Partner) to purchase the Partnership Interest of the Developer Partner for a purchase price equal to the difference between (A) the lesser of (i) an amount which the Developer Partner would receive if the Project were sold for its fair market value (less Imputed Closing Costs), or (ii) the unreturned Capital Contributions of the Developer Partner, less (B) all damages and costs incurred by the Partnership or the Property Partnerships in connection with such Removal Event.

The fair market value of the Project shall be determined by the Preferred Partner and the Developer Partner (or its representative) within 30 days after the Preferred Partner elects to purchase such Partnership Interest. If such Persons are unable to agree on the fair market value of the Project, the Preferred Partner, by notice to the Developer Partner (or its representative), may require the determination of the fair market value to be made by an independent appraiser specified in that notice. If the Person receiving that notice objects to the independent appraiser designated therein within ten days after it receives such notice and the Preferred Partner and such Person fail to

agree on an independent appraiser, then either may request that the New York City, New York office of the American Arbitration Association (the "AAA") designate an independent appraiser, in which case the selection of the appraiser by the AAA shall be binding on the parties. The determination of the selected appraiser shall be final and binding on all parties. The Partnership shall pay the cost of the appraisal. The closing of such transaction shall occur within 30 days after the purchase price for the Partnership Interest in question is finally determined.

If Preferred Partner desires to remove Developer Partner as the General Partner because a Removal Event has occurred, then either the Developer Partner or the Preferred Partner shall have the right to require (by written notice to the other Partner) that the issue of whether or not a Removal Event has occurred be submitted to binding arbitration. The sole parties to such arbitration shall be the Developer Partner and Preferred Partner. The sole issues to be submitted to and determined by such arbitration is whether or not a Removal Event has occurred, or, if a Removal Event has occurred, whether

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mitigating factors exist sufficient to allow Developer Partner to remain as the General Partner notwithstanding the occurrence of such Removal Event (and in the case of any election by the Preferred Partner to purchase the Developer Partner's Partnership Interest (if applicable), whether mitigating factors exist sufficient to deny the Preferred Partner the right to exercise such election). The arbitration shall be handled in the following manner:

(i) The matter shall be submitted to binding arbitration in New York City, New York in accordance with the rules of the AAA then in effect, except as otherwise set forth in this Agreement. A single arbitrator (not affiliated with any firm or organization providing services to either party or their Affiliates) shall be selected.

(ii) Each party shall have the right to take limited discovery, which shall in all event be completed within 60 days of the date arbitration has been requested by either party, unless the other party shall fail to cooperate in the taking of such discovery.

(iii) The matter shall be decided based on briefs and affidavits submitted to the arbitrator, and without any testimony of live witnesses, unless the arbitrator desires in its sole discretion to have a hearing with witnesses.

(iv) The decision of the arbitrator shall be final and non-appealable.

(v) Each party shall pay (x) its own attorneys' fees and costs in submitting the matter to arbitration and (y) 50% of the fees of the arbitrator. The losing party shall reimburse the prevailing party for any AAA filing fees paid by the prevailing party and any arbitration order shall so state the foregoing.

(vi) If the arbitrator decides that a Removal Event has occurred without mitigating factors, the arbitrator shall enter an order (x) declaring that a Removal Event has occurred, and (y) with the prevailing party's consent, declaring that the Developer Partner shall cease to be the General Partner of the Partnership and Preferred Partner (or its designee) shall be the new managing Partner. The arbitrator shall have the power to order injunctive relief consistent with the foregoing.

(vii) The arbitrator shall not have any power to enter any damage award except as specified in subsection (e) above.

Even if the parties elect to proceed to arbitration concerning whether or not a Removal Event has occurred, either Partner shall be permitted to pursue other

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remedies (at law or equity) permitted by this Agreement for breach by the other Partner of its obligations hereunder.

If the Developer Partner fails to make Additional Capital Contributions in the aggregate amount of \$300,000, then from and after such date the Developer Partner's Residual Sharing Ratio shall be automatically changed to 20% and the Preferred Partner's Residual Sharing Ratio shall be automatically changed to 80%. For every \$2,000 in Additional Capital Contributions in excess of \$300,000 which the Developer Partner fails to make, the Developer Partner's Residual Sharing Ratio shall be decreased by .1% and the Preferred Partner's Residual Sharing Ratio shall be increased by .1% (for example, if the Developer Partner fails to make Additional Capital Contributions aggregating \$400,000, the Developer Partner's Residual Sharing Ratio shall decrease to 15% and the Preferred Partner's Residual Sharing Ratio shall be increased to 85%), except that the Developer Partner's Residual Sharing Ratio shall never be reduced below 10%. At such time as the aggregate unpaid Additional Capital Contributions of the Developer Partner equal or exceed \$600,000, the Preferred Partner may at any

time elect (by written notice to the Developer Partner) to purchase the Partnership Interest of the Developer Partner for a purchase price equal to the difference between (A) the lesser of (i) an amount which the Developer Partner would receive if the Project were sold for its fair market value (less Imputed Closing Costs), or (ii) the unreturned Capital Contributions of the Developer Partner, less (B) all damages and costs incurred by the Partnership in connection with the Developer Partner's failure to so make such Additional Capital Contributions. In such event fair market value shall be determined as set forth in this section 4.4.

If the Developer Partner is ever removed as the General Partner, the Developer Partner shall have all rights of a limited partner specified in the Act.

Section 4.5. Reimbursement of Expenses. Each Partner shall be reimbursed for all out-of-pocket expenses actually incurred by it directly in conjunction with the business and affairs of the Partnership or the Property Partnerships (including travel costs, telephone costs, and similar expenses, but excluding any salary expenses, employee expenses, and administrative expenses even if such excluded expenses are incurred in connection with (or allocable to) Partnership business), to the extent set forth on an Operating Budget or as otherwise approved in writing by the Preferred Partner. Upon request, the General Partner shall provide reasonable supporting verification to the other Partners for all expenditures for which any reimbursement is requested. The General Partner shall at all times cause each Property Partnership to maintain insurance in amounts required by the Mortgage Loan provided that there are funds available to the Partnership with which to do so and if there are no such funds to do so General Partner shall

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give immediate written notice to Preferred Partner (but if the cost thereof exceeds by more than 10% the budgeted amount therefor in an Operating Budget, the Developer Partner shall notify Preferred Partner in writing before paying the cost thereof).

Section 4.6. Compensation of General Partner. Except for expense reimbursements set forth in Section 4.5, no compensatory payment shall be made by the Partnership to the General Partner or any Partner for the services to the Partnership or the Property Partnerships of such General Partner, Partner or any Partner or employee of such Partner.

Section 4.7. Transactions with Affiliates.

(a) General. When any service or activity to be performed on behalf of the Partnership is performed by an Affiliate of a Partner, the fee payable for such service or activity shall not exceed the fee which would be payable by the Partnership to an unaffiliated third party of comparable standing providing the same services.

(b) Termination of Agreements with Affiliates. If the Developer Partner is removed as General Partner as a result of the occurrence of a Removal Event, then the Partnership may terminate all agreements with Developer Partner's Affiliates without penalty or fee, and all such agreements must contain a provision that allows for the exercise of the right of termination under this Section 4.7(b). The Preferred Partner may enforce this provision on behalf of the Partnership.

Section 4.8. Property Management Agreement. Property LP 1 is contemporaneously entering into a separate Property Management Agreement and Property LP 2 and Property LP 3 will each enter into a separate Property Management Agreement soon hereafter but no later than the date such Property Partnership acquires its respective Project (collectively, the "Management Agreements") with Brentway Management LLC ("Property Manager"), an Affiliate of the Developer Partner, under which Property Manager shall manage and lease each Project. Each Management Agreement will provide that Property Manager shall be paid fees more particularly set forth in the Management Agreement. Each Property Partnership Agreement may provide that the General Partner or an Affiliate shall also be entitled to a fee on a sale or refinancing equal to .75% of the sale price or refinance amount, as the case may be, subject to a total cap on fees to third parties and the General Partner or its Affiliate of 1.5% (for example, if an outside broker's fee is 1.5%, no fee shall be payable to the General Partner or its Affiliate).

Section 4.9. Indemnification; Reimbursement of Expenses; Insurance. To the fullest extent permitted by the Act: the Partnership shall hold harmless, indemnify and defend the General Partner from all losses, liabilities, claims, damages,

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expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including the reasonable fees and actual expenses of the General Partner's counsel, which arise, result from or relate to any threatened, pending or completed action, suit or proceeding

("Proceeding"), relating to the ownership or operation of the Projects or the business of the Partnership (other than claims and liabilities excluded below), including, without limitation, expenses incurred by the General Partner (1) in advance of the final disposition of any Proceeding to which such General Partner was, is or is threatened to be made a party, and (2) in connection with its as a witness or other participation in any Proceeding. The foregoing indemnity shall also extend to any Affiliate of the General Partner (including Cedar Income Fund Partnership, L.P. and Cedar Income Fund Ltd.) which may execute an environmental indemnity in favor of the holder of the Mortgage Loan such that such Affiliate shall be reimbursed by the Partnership (prior to distributions to Partners) for any amount paid on account of such environmental indemnity. The foregoing indemnity shall also extend to any brokerage commissions or finder's fees claimed by any broker or other party against the General Partner in connection with the Project, or any of the transactions contemplated by this Agreement. The Partnership shall indemnify and advance expenses to an Officer, employee or agent of the Partnership to the same extent and subject to the same conditions under which it may indemnify and advance expenses to General Partners under the preceding sentence. The provisions of this Section 4.9 shall not be exclusive of any other right under any law, provision of the Certificate or this Agreement, or otherwise. Notwithstanding the foregoing, this indemnity shall not apply to actions constituting gross negligence, willful misconduct or bad faith, or involving a breach of this Agreement, but shall apply to actions constituting simple negligence. The Partnership may purchase and maintain insurance to protect itself and any General Partner, officer, employee or agent of the Partnership, whether or not the Partnership would have the power to indemnify such Person under this Section 4.9. This indemnification obligation shall be limited to the assets of Partnership and no Partner shall be required to make a Capital Contribution in respect thereof.

Section 4.10. Other Business Activities. Subject to the other express provisions of this Agreement, each Partner, General Partner, Officer or Affiliate thereof may engage in and possess interests in other business ventures of any and every type and description, independently or with others, including ones in direct or indirect competition with the Partnership or the Property Partnerships, with no obligation to offer to the Partnership or any other Partner, General Partner or Officer the right to participate therein or to account therefor. The Partnership may transact business with any Partner, General Partner, Officer or Affiliate thereof, subject to the approval rights of the Preferred Partner described herein, provided the

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terms of those transactions are no less favorable than those the Partnership could obtain from unrelated third parties. Each Partner and its Affiliates has numerous ownership interests in other real estate projects and neither Partner shall be required to offer any business opportunity or interest to the Partnership.

Section 4.11. Indemnification of Preferred Partner. The Partnership shall indemnify, defend and hold Preferred Partner harmless from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including the reasonable fees and actual expenses of Preferred Partner's counsel, arising in connection with (1) any investigative, administrative, mediation, arbitration, or judicial proceeding, commenced or threatened at any time against Preferred Partner (whether or not the Partnership is a party thereto), in any way related to the execution, delivery or performance of this Agreement or to the Projects, and (2) any proceeding instituted by the seller of a Project against Preferred Partner (whether or not the Partnership is a party thereto), and (3) any brokerage commissions or finder's fees claimed by any broker or other party against Partnership or Preferred Partner in connection with the Projects, or any of the transactions contemplated by this Agreement. Preferred Partner shall not be entitled to indemnification to the extent any of the foregoing are caused solely by the Preferred Partner's gross negligence or willful misconduct. This indemnification obligation shall be limited to the assets of Partnership and no Partner shall be required to make a Capital Contribution in respect thereof.

ARTICLE 5

ACCOUNTING AND REPORTING

Section 5.1. Fiscal Year, Accounts, Reports.

(a) The fiscal year of the Partnership and of each of the Property Partnerships shall be the calendar year.

(b) The books of account of the Partnership and of each of the Property Partnerships shall be kept and maintained (at Partnership expense) by the General Partner on an accrual basis in accordance with GAAP. The Partnership and the Property Partnerships shall report their operations for tax purposes on an accrual basis. The General Partner shall prepare a reconciliation of such books and records to cash receipts and disbursements. The books of account shall be kept at the principal place of business of the Partnership, and shall at all times be available for inspection by the Partners. All distributions of Net Cash

Flow and Capital Proceeds shall be accompanied by income statements prepared by the General Partner

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setting forth in detail the calculation of the amount of each such distribution.

(c) The General Partner shall, at Partnership expense, furnish to the Partners (1) on or before the 30th day after the end of each calendar quarter, an unaudited statement setting forth and describing in reasonable detail the receipts and expenditures of the Partnership and the Property Partnerships during the preceding month and comparing the results of operations of the Partnership for such month and for the year to date to the appropriate Operating Budget, (2) on or before 90 days after the end of each fiscal year, a balance sheet of the Partnership and of each of the Property Partnerships dated as of the end of such fiscal year, a statement of the Partners' Capital Accounts, Default Capital Contribution Balances, Default Capital Contribution Preferred Return Balances, Additional Capital Contribution Balances, Additional Capital Contribution Preferred Return Balances, Initial Capital Contribution Balances, and Initial Capital Contribution Preferred Return Balances, a statement of Net Cash Flow, and a statement setting forth the Profits and Losses for such fiscal year, audited by an independent firm of certified public accountants as selected by the General Partner and approved by the Preferred Partner (the Preferred Partner hereby approves Ernst & Young, LLP as the initial certified public accounting firm for the Partnership), and unaudited statements of the foregoing for the prior calendar year shall be sent to the Partners within 60 days following the end of each calendar year, and (3) from time to time, all other information relating to the Partnership and the Property Partnerships and the business and affairs of each, reasonably requested by any Partner.

(d) Each Partner, at its expense, may at all reasonable times during usual business hours audit, examine, and make copies of or extracts from the books of account records, files, and bank statements of the Partnership and of each of the Property Partnerships. Such right may be exercised by any Partner, or by its designated agents or employees.

Section 5.2. Bank Accounts. The General Partner shall open and maintain (in the name of the Partnership) a special bank account or accounts in a bank or savings and loan association, the deposits of which are insured, up to the applicable limits, by an agency of the United States government, in which shall be deposited all funds of the Partnership.

Section 5.3. Financial Accounting Matters. The method by which the financial statements of the Partnership and each of the Property Partnerships shall be prepared (including the allocation of all revenues and expenses, including depreciation, to the respective Partner's Capital Accounts) shall be such reasonable method as is employed by the General Partner for

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other properties of which it shall be the owner or the general partner or managing Partner thereof.

ARTICLE 6

CAPITAL CONTRIBUTIONS

Section 6.1. Initial Capital Contributions. The Developer Partner has contributed cash of \$848,080 to the Partnership on the date hereof and, subject to the mutual agreement of the Partners, will contribute, cash in an amount sufficient to fund the acquisition of the Halifax Parcel and the Newport Parcel (approximately \$275,000 to \$280,000 in the aggregate unless otherwise agreed to by the Partners; the funds required for the acquisition of each Project shall be contributed on the date the respective Project is acquired), which funds shall constitute the Developer Partner's Initial Capital Contribution.

The Preferred Partner has contributed cash of \$1,520,000 to the Partnership on the date hereof, and subject to the mutual agreement of the Partners, will contribute, cash in an amount sufficient to fund the acquisition of the Halifax Parcel and the Newport Parcel (not in excess of \$2,220,000 unless otherwise agreed to by the Partners; the funds required for the acquisition of each Project shall be contributed on the date the respective Project is acquired), which funds shall constitute the Preferred Partner's Initial Capital Contribution.

The Initial Capital Contributions shall be contributed by the Partnership with respect to each Project to the respective Property Partnerships, simultaneous with acquisition of such Project.

Section 6.2. Additional Capital Contributions. After the Initial Capital Contributions have been made, each Partner shall make Capital Contributions to the Partnership in proportion to their respective Capital Sharing Ratios as may be approved by the General Partner and the Preferred Partner for the conduct of the Partnership's business, maintenance of its assets, and discharge of its

liabilities. The Partners shall be required to make (without the approval of the Partners) additional Capital Contributions (in proportion to their respective Capital Sharing Ratios) needed to permit the Property Partnerships to pay regularly scheduled payments on the Mortgage Loan or to pay costs set forth on an Operating Budget (to the extent that Operating Revenues are insufficient to pay debt service or such budgeted costs). From time to time as the Partnership requires funds to conduct its business, General Partner (with the consent of the Partners (if required)) or the Preferred Partner (to the extent that the approval of the Partners is not required pursuant to the immediately preceding sentence and the General Partner fails to notify the Partners of a required Capital Contribution), shall notify the Partners of the amount of funds required, the use and purpose of such funds, and each Partner's

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required contribution amount. Those Partners obligated to contribute capital at that time shall fund the amount called for within 30 days after notice is given. Each additional contribution made under this Section 6.2 is an "Additional Capital Contribution". No Partner shall, however, be personally obligated to make Additional Capital Contributions to the Partnership and the recourse of one Partner against another for failure to so make an Additional Capital Contribution are limited to those remedies set forth in this Agreement.

Section 6.3. Failure to Make Contributions.

(a) Any Partner which fails to timely contribute all or any portion of any required Initial Capital Contribution or Additional Capital Contribution shall be considered a "Delinquent Partner." The Partnership may, upon notice to a Delinquent Partner, exercise either one of the following remedies:

(1) permit the non-Delinquent Partners which elect to do so, in proportion to their respective Capital Sharing Ratios or in such other percentages as they may agree (the "Lending Partners," whether one or more), to advance that portion of the Capital Contribution that is in default, as a loan (a "Default Loan") with the following results:

(A) the sum thus advanced shall constitute a loan to the Delinquent Partner,

(B) such loan and all interest accruing thereon under subsection (C) hereof shall be due 10 years after the date of the loan;

(C) the loan shall bear interest at the Interest Rate from the date made until the date fully repaid;

(D) all Partnership distributions and other payments that otherwise would be made to the Delinquent Partner (whether before or after dissolution of the Partnership) under this Agreement (including those under Articles 12 and 13) shall be paid to the Lending Partners until the loan and all interest accrued thereon is paid in full (with all such payments being applied first to accrued and unpaid interest and then to principal);

(E) payment of the loan shall be secured by a security interest in the Delinquent Partner's Partnership Interest as set forth in Section 6.3(b); and

(F) the Lending Partners may, in addition to the other rights granted herein, take such action as they may deem appropriate to obtain payment of the loan at the expense of the Delinquent Partner; or

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(2) permit the non-Delinquent Partner to elect (A) not to make its share of the requested Capital Contribution, in which case any portion of its share of such requested Capital Contribution already contributed to the Partnership shall be returned to it or (B) to contribute its share of the requested Capital Contribution and none or any portion of the Delinquent Partner's Capital Contribution, in which case, all Capital Contributions made by the non-Delinquent Partner in respect of the requested Capital Contribution (including the non-Delinquent Partner Capital Contribution in respect thereof) shall constitute "Default Capital Contributions" by the non-Delinquent Partner.

No Partner nor any of its Affiliates shall be personally liable for making of any required Initial Capital Contribution or Additional Capital Contribution and recourse against a Partner for failure to make an Additional Capital Contribution shall be limited as set forth in this Section 6.3.

If the Developer Partner is a Delinquent Partner, then exercise of the foregoing remedies by the Partnership shall be determined by the Preferred Partner in its sole discretion and not by the General Partner.

(b) Each Partner hereby grants to the other Partner and the Partnership, equally and ratably, a security interest in its Partnership Interest to secure performance of its obligations to repay a Default Loan when due and payable hereunder (collectively, the "Secured Obligations"). Upon any

default in the Secured Obligations, the Persons to whom such obligations are owed (each, a "Secured Party") shall have all the rights and remedies of a secured party under the Uniform Commercial Code with respect to the security interest granted herein, and the proceeds arising from any foreclosure of the security interest herein granted may be applied to attorneys' fees and expenses incurred by the Secured Party in exercising such rights and remedies. Each Partner authorizes the other Partner and/or the Partnership to file all such financing statements and other instruments as may be required to evidence or perfect the security interest provided for herein. This Agreement may serve as the necessary financing statement, or the General Partner and/or the Lending Partner may execute and file a financing statement naming the other Partner as debtor and the other Partner hereby authorizes the General Partner and/or the Lending Partner to file such financing statements and other instruments as may be necessary to evidence or perfect (or continue the perfection of) the security interest herein granted.

Section 6.4. Return of Contributions. Except as expressly provided herein, no Partner shall be entitled to (a) the return of any part of its Capital Contributions, (b) any interest in respect of any Capital Contribution, or (c) the fair market value of its Partnership Interest in connection with a

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withdrawal from the Partnership or otherwise. Unrepaid Capital Contributions shall not be a liability of the Partnership or of any Partner. No Partner shall be required to contribute or lend any cash or property to the Partnership to enable the Partnership to return any Partner's Capital Contributions to the Partnership.

Section 6.5. Partner Loans. If the Partnership shall have insufficient cash to pay its obligations, any Partner, with the approval of the Preferred Partner and the General Partner, may advance such funds for the Partnership on such terms and conditions as the lending Partner, the Preferred Partner, and the General Partner may determine. Each such advance shall constitute a loan from such Partner to the Partnership and shall not constitute a Capital Contribution.

Section 6.6. Balances. The Partnership's books and records shall contain entries indicating the type and amount of Capital Contributions made to the Partnership and the Preferred Return thereon.

ARTICLE 7

THIRD PARTY FINANCING

Section 7.1. Initial Financing. The Partnership approves borrowing by the Property Partnerships pursuant to the Mortgage Loan. Each loan comprising the Mortgage Loan will be secured by first-priority mortgage liens on each Project. General Partner shall deliver (or cause to be delivered to Preferred Partner) to the Preferred Partner all notices, correspondence, and information delivered by the holder (or servicer) of the Mortgage Loan to the Property Partnerships and/or the Partnership.

ARTICLE 8

DISTRIBUTIONS

Section 8.1. Distribution of Net Cash Flow. The Net Cash Flow for each calendar quarter shall (subject to Section 6.3 which requires certain prior distributions to a Lending Partner) be distributed to the Partners on or before the 10th day following the end of each calendar quarter in the following order of priority:

(a) first, to the Partners in proportion to and in payment of their respective Default Capital Contribution Preferred Return Balances until their respective Default Capital Contribution Preferred Return Balances have been reduced to zero;

(b) next, to the Partners in proportion to and in payment of their respective Additional Capital Contribution

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Preferred Return Balances until their respective Additional Capital Contribution Preferred Return Balances have been reduced to zero;

(c) next, to the Preferred Partner in payment of its Preferred Return on its Initial Capital Contribution until its Initial Capital Contribution Preferred Return Balance has been reduced to zero;

(d) next, to the Developer Partner in payment of its Preferred Return on its Initial Capital Contribution until its Initial Capital Contribution Preferred Return Balance has been reduced to zero;

(e) next, to the Preferred Partner until distributions pursuant to this Section 8.1(e) in a given calendar year equal \$40,000 (except that such

\$40,000 amount is based on the acquisition of solely the Fairview Parcel and shall increase from \$40,000 to \$100,000 upon the acquisition of the Halifax Parcel and the Newport Parcel); and

(f) next, to the Partners proportionally in accordance with their respective Sharing Ratios.

Section 8.2. Distribution of Capital Proceeds. Capital Proceeds of the Partnership shall (subject to Section 6.3 which requires certain prior distributions to a Lending Partner) be distributed to the Partners within 10 days following receipt by the Partnership of such Capital Proceeds, in the following order of priority:

(a) first, to the Partners in proportion to and in payment of their respective Default Capital Contribution Preferred Return Balances until their respective Default Capital Contribution Preferred Return Balances have been reduced to zero;

(b) next, to the Partners in proportion to and in return of their respective Default Capital Contributions until their respective Default Capital Contribution Balances have been reduced to zero;

(c) next, to the Partners in proportion to and in payment of their respective Additional Capital Contribution Preferred Return Balances until their respective Additional Capital Contribution Preferred Return Balances have been reduced to zero;

(d) next, to the Partners in proportion to and in return of their respective Additional Capital Contributions until their respective Additional Capital Contribution Balances have been reduced to zero;

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(e) next, to the Preferred Partner until its Initial Capital Contribution Balance has been reduced to zero;

(f) next, to the Preferred Partner until all distributions to the Preferred Partner pursuant to Sections 8.1 and 8.2 have satisfied the 12.5% IRR Threshold with respect to the Preferred Partner;

(g) next, to the Developer Partner until its Initial Capital Contribution Balance has been reduced to zero;

(h) next, to the Developer Partner until all distributions to the Developer Partner pursuant to Sections 8.1 and 8.2 have satisfied the 12.5% IRR Threshold with respect to the Developer Partner; and

(i) next, to the Partners in accordance with their respective Residual Sharing Ratios.

Section 8.3. Statements. All distributions of Net Cash Flow and Capital Proceeds shall be accompanied by income statements setting forth in detail the calculation of the amount of each such distribution.

Section 8.4. Adjustment to Certain Balances. If and to the extent that the Loyal Plaza Preferred Partner receives a payment pursuant to the Payment Agreement of Priority Preferred Return Payments (as defined in the Payment Agreement), then the amount of any such distributions to the Loyal Plaza Preferred Partner shall be deemed to reduce (but not below \$0) the Preferred Partner's Initial Capital Contribution Preferred Return Balance by such amount. If and to the extent that the Loyal Plaza Preferred Partner receives a payment pursuant to the Payment Agreement of Priority Capital Proceeds Payments (as defined in the Payment Agreement) pursuant to the Payment Agreement, then such payments shall be deemed to first reduce (but not below \$0) the Preferred Partner's Default Capital Contribution Balance; then be deemed to reduce (but not below \$0) the Preferred Partner's Additional Contribution Balance; and then be deemed to reduce (but not below \$0) the Preferred Partner's Initial Capital Contribution Balance.

ARTICLE 9

CAPITAL ACCOUNTS, ALLOCATIONS, AND TAX MATTERS

Section 9.1. Capital Accounts.

(a) Establishment and Maintenance. A separate capital account ("Capital Account") will be maintained for each

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Partner in accordance with Regulations 1.704-1(b) (iv). The General Partner shall establish and maintain a single Capital Account for each Partner which reflects each Partner's Capital Contributions to the Partnership. Each Capital Account shall also reflect the allocations and distributions made pursuant to Article 8 and otherwise be adjusted in accordance with Code Section 704 and the principles

set forth in Treasury Regulations Sections 1.704-1(b) and 1.704-2. In applying such principles, any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 704(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) shall be allocated among the Partners in proportion to their respective Capital Sharing Ratios. The Partners intend that the Partnership be treated as a partnership for tax purposes.

The Capital Accounts will be adjusted as follows:

(1) Each Partner's Capital Account will be credited with the Partner's Capital Contributions, the Partner's distributive share of Profits, any items in the nature of income or gain that are specially allocated to the Partner under Sections 9.4(c), 9.4(d), or 9.4(e), and the amount of any Partnership liabilities that are assumed by the Partner or secured by any Partnership property distributed to the Partner.

(2) Each Partner's Capital Account will be debited with the amount of cash and the Gross Asset Value of any Partnership property distributed to the Partner under any provision of this Agreement, the Partner's distributive share of Losses, any items in the nature of deduction or loss that are specially allocated to the Partner under Sections 9.4(c), 9.4(d) or 9.4(e), and the amount of any liabilities of the Partner assumed by the Partnership or which are secured by any property contributed by the Partner to the Partnership.

(b) Initial Capital Accounts. The initial Capital Account balance of each Partner equals the amount of cash contributed by each Partner as its Initial Capital Contribution, which balances have been determined in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(f).

(c) Transfer. If any interest in the Partnership is transferred in accordance with the terms of this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(d) Modifications by General Partner. The provisions of this Section 9.2 and the other provisions of this Agreement relating to the maintenance of Capital Accounts have been included in this Agreement to comply with Section 704(b) of the Code and the Regulations promulgated thereunder and will be interpreted and applied in a manner consistent with those

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provisions and the Regulations. The General Partner may, with the consent of the Preferred Partner, modify the manner in which the Capital Accounts are maintained under this Section 9.2 to comply with those provisions and the Regulations, as well as upon the occurrence of events that might otherwise cause this Agreement not to comply with those provisions and the Regulations; however, without the unanimous consent of all Partners, the General Partner may not make any modification to the way Capital Accounts are maintained if such modification would have the effect of changing the amount of distributions to which any Partner would be entitled during the operation, or upon the liquidation, of the Partnership.

Section 9.2. Adjustment of Gross Asset Value. "Gross Asset Value", with respect to any asset, is the adjusted basis of that asset for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed (or deemed contributed under Regulations Section 1-708-1(b)(1)(iv) by a Partner to the Partnership will be the fair market value of the asset on the date of the contribution, as determined by the General Partner and the Preferred Partner.

(b) The Gross Asset Values of all assets will be adjusted to equal the respective fair market values of the assets, as determined by the General Partner and the Preferred Partner, as of (1) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis capital contribution, (2) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership if an adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership, and (3) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g).

(c) The Gross Asset Value of any asset distributed to any Partner will be the gross fair market value of the asset on the date of distribution as approved by General Partner and Preferred Partner.

(d) The Gross Asset Values of assets will be increased or decreased to reflect any adjustment to the adjusted basis of the assets under Code Section 734(b) or 743(b), but only to the extent that the adjustment is taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m), provided that Gross Asset Values will not be adjusted under this Section 9.2 to the extent that the General Partner determines that an adjustment under Section 9.2(b) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment under this Section

(e) After the Gross Asset Value of any asset has been determined or adjusted under Section 9.2(a), 9.2(b) or 9.2(d), Gross Asset Value will be adjusted by the Depreciation taken into account with respect to the asset for purposes of computing Profits or Losses.

Section 9.3. Profits, Losses and Distributive Shares of Tax Items.

(a) Profits (other than from Capital Transactions). Except as otherwise provided in Sections 9.3(d), 9.3(e) and 9.3(f), and except as otherwise provided in Article 10 (relating to allocation of Profits upon dissolution), Profits for any taxable year (other than those arising from a Capital Transaction) shall be allocated to the Partners in the following manner:

(1) first, to the Partners in proportion to distributions of Default Preferred Returns made to the Partners during such taxable year until the Partners have been allocated an amount under this Section 9.3(a)(1) equal to amounts distributed during such taxable year to the Partners pursuant to Section 8.1(a);

(2) next, to the Partners in proportion to distributions of Preferred Return on their Additional Capital Contributions made to the Partners during such taxable year until the Partners have been allocated a cumulative amount under this Section 9.3(a)(2) equal to amounts distributed during such taxable year to the Partners pursuant to Section 8.1(b);

(3) next, to the Partners in proportion to distributions made to the Partners during such taxable year of Preferred Return on their Initial Capital Contributions, until the Partners have been allocated an amount under this Section 9.3(a)(3) equal to amounts distributed to the Partners pursuant to Sections 8.1(c) and 8.1(d);

(4) next, to Preferred Partner until it has been allocated an amount under this Section 9.3(a)(4) equal to amounts distributed to Preferred Partner during such calendar year pursuant to Section 8.1(e); and

(5) next, to the Partners in accordance with their respective Sharing Ratios.

(b) Profits (from Capital Transactions). Except as otherwise provided in Sections 9.3(c), 9.3(d), 9.3(e) and 9.3(f), and except as otherwise provided in Article 10 (relating to allocation of Profits upon dissolution), Profits for any taxable year arising from a Capital Transaction shall be allocated to the Partners in the following manner:

(1) first, to the Partners in proportion to their respective Default Preferred Returns distributed to the Partners during such taxable year until they have been allocated an amount under this Section 9.3(b)(1) equal to amounts distributed during such taxable year to the Partners pursuant to Section 8.2(a);

(2) next, to the Partners in proportion to their respective Preferred Return on their respective Additional Capital Contributions distributed to the Partners during such taxable year until they have been allocated an amount under this Section 9.3(b)(2) equal to amounts distributed during such taxable year to the Partners pursuant to Section 8.2(c);

(3) next, to the Partners in proportion to distributions made to the Partners during such taxable year pursuant to Sections 8.2(f) and 8.2(h) inclusive until the Partners have been allocated an amount under this Section 9.3(b)(3) equal to the amounts distributed during such taxable year to the Partners pursuant to Sections 8.2(f) and 8.2(h) inclusive; and

(4) next, to the Partners proportionally in accordance with their respective Residual Sharing Ratios.

(c) Losses. Except as otherwise provided in Sections 9.3(d), 9.3(e), and 9.3(f), Losses for any taxable year shall be allocated in the following manner:

(1) First, to the Partners in proportion to their respective adjusted Capital Account balances, but not in excess of the adjusted Capital Account balance of each such Partner before the allocation provided for in this Section 9.3(c)(1); and

(2) thereafter, to the Partners with positive Capital Account balances (in proportion to such balances) to the extent further allocations of Losses to a Partner under this Section 9.3(c) would cause such Partner to have an Adjusted Capital Account Deficit.

(d) Special Allocations. The following special allocations will be made in the following order and priority before allocations of Profits and Losses:

(1) Partnership Minimum Gain Chargeback. If there is a net decrease in Partnership Minimum Gain during any taxable year or other period for which allocations are made, before any other allocation under this Agreement, each Partner will be specially allocated items of Partnership income and gain for that period (and, if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain during such year determined in accordance with Regulations

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Section 1.704-2(g)(2). The items to be allocated will be determined in accordance with Regulations Sections 1.704(2)(f)(6) and 1.704-2(j)(2). This Section 9.3(d)(1) is intended to comply with the Partnership Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

(2) Partner Nonrecourse Debt Minimum Gain Chargeback. Notwithstanding any other provision of this Section 9.3 (other than Section 9.3(d)(1) which shall be applied first), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain with respect to a Partner Nonrecourse Debt during any taxable year or other period for which allocations are made, any Partner with a share of such Partner Nonrecourse Debt Minimum Gain (determined under Regulations Section 1.704-2(i)(5)) as of the beginning of the year will be specially allocated items of Partnership income and gain for that period (and, if necessary, subsequent periods) in an amount equal to such Partner's share of the net decrease in the Partner Nonrecourse Debt Minimum Gain during such year determined in accordance with Regulations Section 1.704-2(i)(4). The items to be so allocated will be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 9.3(d)(2) is intended to comply with the Partner Nonrecourse Debt Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

(3) Qualified Income Offset. A Partner who unexpectedly receives any adjustment, allocation or distribution described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) will be specially allocated items of Partnership income and gain in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Partner as quickly as possible.

(4) Nonrecourse Deductions. Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated among the Partners in proportion to their respective Capital Sharing Ratios.

(5) Partner Nonrecourse Deductions. Notwithstanding anything to the contrary in this Agreement, any Partner Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which the Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i).

(6) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset

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under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m), the amount of the adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis), and the gain or loss will be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted under Regulations Section 1.704-1(b)(2)(iv)(m).

(e) Curative Allocations. The allocations set forth in Section 9.3(d) (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. The Regulatory Allocations may effect results which would be inconsistent with the manner in which the Partners intend to divide Partnership distributions. Accordingly, the General Partner is authorized to divide other allocations of Profits, Losses, and other items among the Partners, to the extent that they exist, so that the net amount of the Regulatory Allocations and the special allocations to each Partner is zero. The General Partner will have discretion to accomplish this result in any reasonable manner that is consistent with Code Section 704 and the related Regulations.

(f) Tax Allocations--Code Section 704(c). For federal, state and local income tax purposes, Partnership income, gain, loss, deduction or expense (or any item thereof) for each fiscal year shall be allocated to and among the Partners to reflect the allocations made pursuant to the provisions of this

Section 9.3 for such fiscal year. In accordance with Code Section 704(c) and the related Regulations, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership, solely for tax purposes, will be allocated among the Partners so as to take account of any variation between the adjusted basis to the Partnership of the property for federal income tax purposes and the initial Gross Asset Value of the property (computed in accordance with Section 9.2). If the Gross Asset Value of any Partnership asset is adjusted under Section 9.2(b), subsequent allocations of income, gain, loss and deduction with respect to that asset will take account of any variation between the adjusted basis of the asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the related Regulations. Any elections or other decisions relating to allocations under this Section 9.3(f) will be made in any manner that the General Partner determines reasonably reflects the purpose and intention of this Agreement as consented to by the Partners. Allocations under this Section 9.3(f) are solely for purposes of federal, state and local taxes and will not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses or other items or distributions under any provision of this Agreement.

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(g) Reporting. Partners shall be bound by the provisions of this Section 9.3(g) in reporting their shares of Partnership income and loss for income tax purposes.

Section 9.4. Tax Returns. The General Partner shall cause to be prepared and filed (but no filing shall be made until the Preferred Partner has approved in writing such tax returns) all necessary federal and state income tax returns for the Partnership, including making the elections described in Section 9.5. Each Partner shall furnish to the General Partner all pertinent information in its possession relating to Partnership operations that is necessary to enable such income tax returns to be prepared and filed.

Section 9.5. Tax Elections. The following elections shall be made on the appropriate returns of the Partnership:

(a) to adopt the calendar year as the Partnership's fiscal year;

(b) to adopt the accrual method of accounting and to keep the Partnership's books and records on the accrual method;

(c) if there is a distribution of Partnership property as described in section 734 of the Code or if there is a transfer of a Partnership interest as described in section 743 of the Code, upon written request of any Partner, to elect, pursuant to section 754 of the Code, to adjust the basis of Partnership properties; and

(d) to elect to amortize the organizational expenses of the Partnership ratably over a period of 60 months as permitted by section 709(b) of the Code.

No election shall be made by the Partnership or any Partner to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state laws.

Section 9.6. Tax Matters Partner. The Partner serving as General Partner shall be the "tax matters partner" of the Partnership pursuant to section 6231(a)(7) of the Code. As tax matters partner, such Partner shall take such action as may be necessary to cause each other Partner to become a "notice partner" within the meaning of section 6223 of the Code. Such Partner shall inform each other Partner of all significant matters that may come to its attention in its capacity as tax matters partner by giving notice thereof within ten days after becoming aware thereof and, within such time, shall forward to each other Partner copies of all significant written communications it may receive in such capacity. Such Partner shall not take any action contemplated by sections 6222 through 6232 of the Code without the consent of the Preferred Partner. This provision is not intended to authorize such Partner to take

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any action left to the determination of an individual Partner under sections 6222 through 6232 of the Code.

Section 9.7. Allocations on Transfer of Interests. All items of income, gain, loss, deduction, and credit allocable to any interest in the Partnership that may have been transferred shall be allocated between the transferor and the transferee based upon the closing of the books method, unless the transferor and transferee otherwise agree.

Section 9.8. Sharing of Partnership Nonrecourse Debt. Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership and the Property Partnerships within the meaning of Regulations Section 1.752-3(a), the Partners' interests in Partnership profits are in proportion to their Residual Sharing Ratios.

Section 9.9. Intent of Allocations. The parties intend that the foregoing tax allocation provisions of this Article 9 shall produce final Capital Account balances of the Partners such that distributions made in accordance with Section 10.2(c)(2) (after unpaid loans and interest thereon, including those owed to Partners have been paid) are made in accordance with final Capital Account balances. To the extent that the tax allocation provisions of this Article 9 would fail to produce such final Capital Account balances, (i) such provisions shall be amended by the General Partner (with the Preferred Partner's written consent) if and to the extent necessary to produce such result and (ii) taxable income and taxable loss of the Partnership for prior open years (or items of gross income and deduction of the Partnership for such years) shall be reallocated by the General Partner among the Partners (with the Preferred Partner's written consent) to the extent it is not possible to achieve such result with allocations of items of income (including gross income) and deduction for the current year and future years, as approved by the General Partner and Preferred Partner. This Section 9.9 shall control notwithstanding any reallocation or adjustment of taxable income, taxable loss, or items thereof by the Internal Revenue Service or any other taxing authority.

ARTICLE 10

WITHDRAWAL, DISSOLUTION, LIQUIDATION, AND TERMINATION

Section 10.1. Dissolution, Liquidation, and Termination Generally. The Partnership shall be dissolved (but not prior to payment in full of the Mortgage Loan) upon the first to occur of any of the following:

(a) the first day of the first taxable year of the Partnership following the taxable year in which occurs the sale or disposition of all of the assets of the Partnership or the Property Partnerships and the receipt, in cash, of all

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consideration therefor unless all the Partners elect not to dissolve the Partnership;

(b) the determination of the General Partner and the Preferred Partner to dissolve the Partnership; or

(c) the occurrence of any event which, as a matter of law, requires that the Partnership be dissolved (other than a Bankruptcy of a Partner which shall not dissolve the Partnership).

Section 10.2. Liquidation and Termination. Upon dissolution of the Partnership, unless it is continued as provided above, the General Partner shall act as liquidator or may appoint one or more other Persons as liquidator; however, if the Partnership is dissolved because of an event occurring with respect to the General Partner, the liquidator shall be one or more Persons selected in writing by the other Partner. The liquidator shall proceed diligently to wind up the affairs of the Partnership and make final distributions as provided herein. The costs of liquidation shall be a Partnership expense. Until final distribution, the liquidator shall continue to operate the Partnership properties with all of the power and authority of the General Partner hereunder. The steps to be accomplished by the liquidator are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by Ernst & Young, LLC or such other firm of certified public accountants as is acceptable to the Preferred Partner of the Partnership's assets, liabilities, and operations through the last day of the calendar month in which the dissolution shall occur or the final liquidation shall be completed, as applicable;

(b) the liquidator shall pay all of the debts and liabilities of the Partnership or otherwise make adequate provision therefor (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

(c) all remaining assets of the Partnership shall be distributed to the Partners as follows:

(1) the liquidator may sell any or all Partnership property and the sum of (A) any resulting gain or loss from each sale plus (B) the fair market value of such property that has not been sold shall be determined and (notwithstanding the provisions of Article 9) income, gain, loss, and deduction inherent in such property (that has not been reflected in the Capital Accounts previously) shall be allocated among the Partners to the extent possible to cause the Capital Account balance of each Partner to equal the amount distributable to such Partner under Article 8; and

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(2) after Capital Accounts have been adjusted for all

distributions under Article 8 and all allocations of Profits and Losses under Sections 9.3, 9.9 and Section 10.2(c)(1), Partnership property shall be distributed in accordance with Section 8.2.

Notwithstanding anything to the contrary, in the event the Partnership is "liquidated" within the meaning of Regulations ss. 1.704-1(b)(2)(ii)(g), liquidating distributions shall be made pursuant to this Section 10.2 by the end of the taxable year in which the Partnership is liquidated, or, if later, within ninety (90) days after the date of such liquidation. Distributions pursuant to the preceding sentence may be made to a trust for the purpose of an orderly liquidation of the Partnership by the trust in accordance with the Act.

Section 10.3. Deficit Capital Accounts. No Partner shall be required to pay to the Partnership, to any other Partner or to any third party any deficit balance which may exist from time to time in the Partner's capital account.

Section 10.4. Cancellation of Certificate. On completion of the distribution of Partnership assets, the Partner (or such other person as the Act may require or permit) shall file a Certificate of Cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to Section 2.5, and take such other actions as may be necessary to terminate the existence of the Partnership.

ARTICLE 11

MISCELLANEOUS PROVISIONS

Section 11.1. Notices. All notices provided for or permitted to be given pursuant to this Agreement must be in writing and shall be given or served by (a) depositing the same in the United States mail addressed to the party to be notified, postpaid and certified with return receipt requested, (b) by delivering such notice in person to such party, or (c) by prepaid telegram, telex, or telecopy. By giving written notice thereof, each Partner shall have the right from time to time to change its address pursuant hereto. Notices shall be given to the parties at the following addresses:

If to Developer Partner: Cedar Bay Income Fund Partnership, L.P.
c/o Cedar Bay Realty Advisors
44 South Bayles Avenue
Port Washington, New York 11050
Attention: Mr. Leo S. Ullman

with a copy to: c/o Cedar Bay Realty Advisors
44 South Bayles Avenue
Port Washington, New York 11050
Attention: General Counsel

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If to Preferred Partner: c/o Kimco Realty Corporation
3333 New Hyde Park Road
New Hyde Park, NY 11042
Attention: Mr. Michael Pappagallo

with a copy to: Stephen M. Lyons III, Esq.
Reed Smith LLP
2500 One Liberty Place
Philadelphia, PA 19103

Section 11.2. Governing Law. This Agreement and the obligations of the Partners hereunder shall be construed and enforced in accordance with the laws of the State of Delaware, excluding any conflicts of law rule or principle which might refer such construction to the laws of another state or country. Each Partner submits to the jurisdiction of the state and federal courts in the State of Delaware.

Section 11.3. Entireties; Amendments. This Agreement and its exhibits constitute the entire agreement between the Partners relative to the formation of the Partnership. Except as otherwise provided herein, no amendments to this Agreement shall be binding upon any Partner unless set forth in a document duly executed by such Partner.

Section 11.4. Waiver. No consent or waiver, express or implied, by any Partner of any breach or default by any other Partner in the performance by the other Partner of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Partner of the same or any other obligation hereunder. Failure on the part of any Partner to complain of any act or to declare any other Partner in default, irrespective of how long such failure continues, shall not constitute a waiver of rights hereunder.

Section 11.5. Severability. If any provision of this Agreement or the application thereof to any Person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this

Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 11.6. Ownership of Property and Right of Partition. A Partner's interest in the Partnership shall be personal property for all purposes. No Partner shall have any right to partition the property owned by the Partnership or any Subsidiary.

Section 11.7. Captions, References. Pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and

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character, and the singular shall include the plural wherever and as often as may be appropriate. Article and section headings are for convenience of reference and shall not affect the construction or interpretation of this Agreement. Whenever the terms "hereof", "hereby", "herein", or words of similar import are used in this Agreement they shall be construed as referring to this Agreement in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Whenever the word "including" is used herein, it shall be construed to mean including without limitation. Any reference to a particular "Article" or a "Section" shall be construed as referring to the indicated article or section of this Agreement unless the context indicates to the contrary.

Section 11.8. Involvement of Partners in Certain Proceedings. Should any Partner become involved in legal proceedings unrelated to the Partnership's business in which the Partnership is required to provide books, records, an accounting, or other information, then such Partner shall indemnify, defend and hold harmless the Partnership from all liabilities and expenses (including reasonable attorneys' fees and costs) incurred in conjunction therewith.

Section 11.9. Interest. No amount charged as interest on loans hereunder shall exceed the maximum rate from time to time allowed by applicable law.

Section 11.10. Counterparts. This Agreement may be executed in one or more counterparts (and by different parties hereto on different counterparts), each of which will constitute an original, but all of which when taken together shall constitute a single contract. A facsimile signature shall for all purposes be deemed to be an original signature, and either party hereto shall forward to the other party an original signature if required by the other party.

Section 11.11. Approvals and Consents of Preferred Partner. Whenever under the terms of this Agreement the approval or consent of the Preferred Partner shall be required, the Preferred Partner shall not unreasonably withhold or condition such approval or consent and such approval or consent shall be deemed given if the Preferred Partner shall not respond to any written request for consent or approval within ten (10) days after the Preferred Partner's receipt of such written request for consent or approval. If the Preferred Partner shall give notice to the Developer within such ten (10) day period that it does not believe the Developer Partner has provided the necessary information or documentation on which Preferred Partner may reasonably make a decision on the matter in question (and shall specify the additional information or documentation required), then the foregoing ten (10) day period shall be extended to the date which is ten (10) days after Developer Partner has provided the Preferred Partner with such additional

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information or documentation as shall be reasonably required by the Preferred Partner in order to make a decision on the matter in question.

Section 11.12. Property Partnership Agreements. Whenever the interest of the Developer Partner is purchased under this Agreement, or the Preferred Partner is obligated to purchase the interest of the Developer Partner under this Agreement, the Developer Partner shall cause the general partner of each Property Partnership to cause the general partnership interests of each such general partner to be transferred without further consideration to, or as directed by, Preferred Partner, and the purchase price payable to Developer Partner shall, at the election of Preferred Partner, not be paid to Developer Partner until the general partner of each Property Partnership transfers such general partnership interest to, or as directed by, Preferred Partner.

ARTICLE 12

BUY-SELL OPTION

Section 12.1. Exercise. At any time (a) after January 31, 2008, or (b) the Partners are unable to agree on a Major Decision (but only a Major Decision involving the sale or financing of a Project or the filing of a bankruptcy petition by the Partnership or a Property Partnership), any Partner may exercise its right to initiate the provisions of this Article 12; however, the Developer Partner may not exercise this right if a Removal Event has occurred and has not

been timely cured in accordance with the provisions of Section 4.4. Additionally, if a Removal Event has occurred and is not timely cured in accordance with the provisions of Section 4.4, then the Preferred Partner may initiate the provisions of this Article 12 at any time (which rights are in addition to Preferred Partner's rights under Section 4.4). The Partner desiring to exercise such right (the "Offeror") shall do so by giving notice to the other Partner (the "Offeree") setting forth a statement of intent to invoke the Offeror's rights under this Article 12, stating therein the aggregate dollar amount (the "Valuation Amount") which the Offeror would be willing to pay for the assets of the Property Partnerships as of the Closing Date (defined below) free and clear of all liabilities, and setting forth all oral or written offers and inquiries received by the Offeror during the previous 12-month period relating to the financing, disposition or leasing of the Projects (including proposals for the formation of a new entity for the ownership and operation of the Projects). After receipt of such notice the Offeree shall elect to either (1) sell its entire Partnership Interest to the Offeror for an amount equal to the amount the Offeree would have been entitled to receive if the Property Partnerships had sold their assets for the Valuation Amount on the Closing Date and the Property Partnerships had immediately paid all of their liabilities and Imputed Closing

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Costs and distributed the net proceeds of sale to the Partnership, and the Partnership immediately distributed such proceeds to the Partners in satisfaction of their interests in the Partnership pursuant to Section 10.2, or (2) purchase the entire Partnership Interest of the Offeror for an amount equal to the amount the Offeror would have been entitled to receive if the Property Partnerships had sold all of their assets for the Valuation Amount on the Closing Date and the Property Partnerships had immediately paid all Partnership liabilities and Imputed Closing Costs and distributed the net proceeds of the sale to the Partnership, and the Partnership immediately distributed such proceeds to the Partners in satisfaction of their interests in the Partnership pursuant to Section 10.2. The Offeree shall have 30 days from the giving of the Offeror's notice in which to exercise either of its options by giving written notice to the Offeror. If the Offeree does not elect to acquire the Offeror's Partnership Interest within such time period, the Offeree shall be deemed to have elected to sell its interest to the Offeror. Within three business days after an election has been made under this Section 12.1 (whether deemed or otherwise), the acquiring Partner shall deposit with the selling Partner a non-refundable earnest money deposit in the amount of 10% of the amount the selling Partner is entitled to receive for its Partnership Interest under this Section 12.1, which amount shall be applied to the purchase price at closing; however, if the acquiring Partner should thereafter fail to consummate the transaction, such amount shall be retained by the selling Partner, free of all claims of the other Partner, but shall not constitute a waiver of any rights and remedies otherwise available to the selling Partner because of a default by the acquiring Partner. The acquiring Partner may, in its sole discretion, elect to acquire the other Partner's Partnership Interest in the name of a designee of the acquiring Partner but this shall not relieve the acquiring Partner of its purchase obligations.

Section 12.2. Closing. The closing of an acquisition pursuant to Sections 12.1 through 12.3 shall be held at the principal place of business of the Partnership on a mutually acceptable date (the "Closing Date") not later than 150 days after Offeree's election. At the Closing of the disposition and acquisition of such interests the following shall occur:

(a) The selling Partner shall assign to the acquiring Partner or its designee the selling Partner's Partnership Interest in accordance with the instructions of the acquiring Partner, and shall execute and deliver to the acquiring Partner all documents which may be required to give effect to the disposition and acquisition of such interests, in each case free and clear of all liens, claims, and encumbrances, with covenants of general warranty; and

(b) The acquiring Partner shall pay to the selling Partner the consideration therefor in cash.

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Section 12.3. Enforcement. It is expressly agreed that the remedy at law for breach of the obligations of the Partners set forth in this Article 12 is inadequate in view of (a) the complexities and uncertainties in measuring the actual damage to be sustained by reason of the failure of a Partner to comply fully with such obligations, and (b) the uniqueness of the Partnership business and the Partners' relationships. Accordingly, each of such obligations shall be, and is hereby expressly made, enforceable by a specific performance.

ARTICLE 13

RIGHT OF FIRST OFFER

Section 13.1. Offers. If after January 31, 2008, either Partner desires to offer the Projects for sale on specified terms or receives from an unaffiliated purchaser a bona fide written cash offer (i.e., not seller financed) for the

purchase of the Projects on terms which such Partner desires for the Property Partnerships to accept (such specified terms or bona fide offer being herein called the "Offer"), the Partner desiring to make or accept the Offer (the "Initiating Partner") shall provide notice of the terms of such Offer (the "Sale Notice") to the other Partner (the "Non-Initiating Partner"). The procedures set forth in this Article 13 shall apply only if an Offer is in an amount at least equal to the amount of any indebtedness secured by the Projects plus the aggregate then-existing unreturned Capital Contributions.

Section 13.2. Response. The Non-Initiating Partner shall have 30 days from the date of receipt of the Sale Notice (the "Response Period") to provide written notice to the Initiating Partner of the Non-Initiating Partner's willingness or unwillingness to accept the Offer or offer the Projects for sale on terms specified in the Offer, as the case may be. If the Non-Initiating Partner fails to deliver such notice within said time period (or fails to deliver any written notice to the Initiating Partner), the Non-Initiating Partner shall be deemed to have consented to the sale of the Projects on the terms of the Offer, provided, however that it the Initiating Partner has proposed the terms of sale (rather than having received a written offer to purchase the Project from an unaffiliated third party), then the Non-Initiating Partner shall have the right to cause the Partnership to obtain an appraisal of the Projects from a licensed appraiser (at the cost of the Partnership), and the Project shall thereafter be marketed for sale by the Initiating Partner at a price no less than the price determined by such appraisal.

(a) Offer Unacceptable. If the Non-Initiating Partner does not desire for the Property Partnerships to accept the Offer or offer the Projects for sale on terms specified in the Offer (or, in the case of terms of sale proposed by the Initiating Partner, for the sale price subsequently determined

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pursuant to the appraisal requested by the Non-initiating Partner), as the case may be, the Initiating Partner may elect to sell to the Non-Initiating Partner, in which case the Non-Initiating Partner must purchase, the Initiating Partner's Partnership Interest for an amount equal to the amount that would be distributable to the Initiating Partner if the Property Partnerships had sold the Projects pursuant to the terms of such Offer, immediately paid all of their liabilities and Imputed Closing Costs and distributed the net sales proceeds to the Partnership, and the Partnership immediately distributed such proceeds to the Partners (without any recourse) pursuant to Section 8.2. The Initiating Partner must exercise this option, if at all, by delivering written notice thereof to the Non-Initiating Partner within 30 days after the end of the Response Period (or, if the Non-Initiating Partner has requested an appraisal of the Projects, within thirty (30) days after the completion of the appraisal). The Non-Initiating Partner shall pay the Initiating Partner cash for its Partnership Interest. Closing shall take place on or before as specified in the Sale Notice, but if the Non-Initiating Partner is purchasing the Initiating Partner's Partnership Interest, the Non-Initiating Partner shall have until 150 days after the Sale Notice in which to close. If the Initiating Partner or the Non-Initiating Partner defaults at closing, the non-defaulting party shall have the right to bring suit for damages, for specific performance, or exercise any other remedy available at law or in equity. Upon payment at closing, the Initiating Partner shall execute and deliver all documents reasonably required to transfer the interest being sold. If the Non-Initiating Partner fails to deliver such notice within said time period (or fails to deliver any written notice to the Initiating Partner), the Non-Initiating Partner shall be deemed to have consented to the sale of the Projects on the terms of the Offer.

(b) Offer Acceptable. If the Non-Initiating Partner consents to the Property Partnerships selling the Projects on the terms of the Offer, then the Initiating Partner shall have authority, on behalf of the Partnership, to cause the Projects to be sold for cash on the terms of the Offer (or better terms) for a period of up to 90 days following the expiration of the Response Period. If the Initiating Partner obtains a bona fide third party contract to sell the Project on the terms of the Offer (or better terms) within such 90-day period, the Initiating Partner shall have an additional period of 120 days after the date of such contract (that is, within 210 days after the Sale Notice) in which to cause the Projects to be sold. If after having received the consent of the Non-Initiating Partner to the sale of the Project on the terms of the Offer, the Initiating Partner is unable to cause the Property Partnerships to obtain a bona fide contract within such 90-day period, or if after having obtained such bona fide contract, Initiating Partner is unable to consummate such sale within 210 days after the Sale Notice, then Initiating Partner must again submit an

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Offer to Non-Initiating Partner pursuant to Section 13.1 before it may sell the Project.

[signatures continued on next page]

Executed effective as of the date above written.

GENERAL PARTNER/DEVELOPER

PARTNER:

CIF-Fairport Associates, LLC, a
Delaware limited liability company

By: Cedar Income Fund
Partnership, LP,
its sole member

By: Cedar Income Fund, Ltd.,
its general partner

By: _____
Brenda J. Walker
Vice President

PREFERRED PARTNER:

KIMCO PREFERRED INVESTOR III, INC.,
a Delaware corporation

By: _____
Name:
Title:

AGREEMENT FOR THE SALE OF REAL ESTATE

This AGREEMENT FOR THE SALE OF REAL ESTATE, hereinafter, "Agreement", is made this _____ day of _____, 2002, by and between CEDAR INCOME FUND PARTNERSHIP, L.P., a limited partnership organized and existing under the laws of the State of Delaware having a principal place of business located at 44 South Bayles Avenue, Port Washington, New York, 11050, hereinafter referred to as "Buyer", and DOUBLE M DEVELOPMENT, a Pennsylvania general partnership comprised of Mark G. Caldwell and Martin L Grass, having a principal place of business located at 434 North Front Street, Wormleysburg, Cumberland County, Pennsylvania 17043, hereinafter referred to as "Seller".

W I T N E S S E T H:

WHEREAS, Seller owns a tract of land upon which it has erected a Giant supermarket- anchored shopping center of approximately 6.76 acres, more or less, located in Fairview Township, York County, Pennsylvania, having an address of Fairview Plaza, Old York Road, New Cumberland, Pennsylvania 17070, and bearing York County Tax Assessment Parcel No. 000-SF-0088-BO-00000; and

WHEREAS, Buyer, subject to the requisites, conditions and terms as set forth in this Agreement, desires to purchase said real estate and the parties do wish, therefore, to set forth the actual terms of purchase as hereinafter provided.

NOW, THEREFORE, Buyer and Seller, each intending to be legally bound hereby, do covenant and agree as follows:

1. PROPERTY.

Seller agrees to sell, and Buyer agrees to buy, all of the following (collectively, the "Property"):

a. A certain tract of land upon which Seller has erected a Giant supermarket-anchored shopping center of approximately 6.76 acres, more or less, located in Fairview Township, York County, Pennsylvania, having an address of Fairview Plaza, Old York Road, New Cumberland, Pennsylvania 17070, and bearing York County Tax Assessment Parcel No. 000-SF-0088-BO-00000 (hereinafter, the "Premises"). The Premises does include any buildings, improvements, privileges, rights, including development rights and governmental approvals, easements and appurtenances thereunto belonging and all of Seller's right, title and interest, if any, in and to the land lying within any street, alley, roadway or property adjoining the Premises;

b. The Seller's interest in the leases, and the rents due thereon (together with all security deposits, and Seller's rights, to the extent assignable to, to all guaranties securing the performance of the tenants' obligations thereunder), being all leases of all or any portion of the Premises, including the leases as listed on Exhibit "A" hereto and leases which may be made by Seller after the date of this Agreement and prior to closing as permitted by this Agreement, (the "Leases");

c. The tangible personal property, being all equipment, machinery, furniture, furnishings, supplies and other tangible personal property owned by Seller, and Seller's interest in any such property leased by Seller, now or hereafter located in and used in connection with the operation, ownership or management of the Premises, ("Tangible Personal Property");

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d. The intangible personal property, being all intangible personal property related to the Premises and the improvements, including, without limitation: all trade names and trade marks associated with the Premises and the improvements, including Seller's rights and interests in the name of the Premises; the plans and specifications and other architectural and engineering drawings for the improvements; warranties; contract rights related to the construction, operation, ownership or management of the Premises (but only to the extent Seller's obligations hereunder are expressly assumed by Buyer pursuant to this Agreement); governmental permits, approvals and licenses (to the extent assignable); and all records relating to the Premises, ("Intangible Personal Property");

e. If Closing occurs, all of Seller's right, title and interest in and to any unpaid award for the taking by eminent domain or condemnation of all or any portion of the Premises.

2. PURCHASE PRICE.. The purchase price for the Premises shall be Eight Million and 00/100 (\$8,000,000.00) Dollars, subject to prorations and adjustments as provided in this Agreement. The purchase price shall be paid as follows:

a) the sum of Fifty Thousand and 00/100 (\$50,000.00) Dollars

to be placed in escrow upon execution of this Agreement, of which Five Thousand and 00/100 (\$5,000.00) Dollars shall be non-refundable, as hereinafter provided, but all sums (such amount, together with interest accruing thereon, the "First Deposit") to be credited to the purchase price; and

b) the sum of Fifty Thousand and 00/100 (\$50,000.00) Dollars (such amount, together with interest accruing thereon, the "Second Deposit") (the "First Deposit" and the "Second Deposit", collectively, the "Deposit") to be placed in escrow upon completion of the due diligence period, as hereinafter defined, to be credited to the purchase price; and

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c) the balance to be paid at Closing as hereinafter provided. All sums shall be held in escrow by Buyer's title insurance company, New York Land Services, Ltd., as agent for Title Insurance Company, in an interest-bearing account with all interest accruing to the benefit of Buyer. The title insurance company shall act as the escrow agent (the, "Escrow Agent") and shall disburse the sums held at Closing or upon written direction of Buyer and Seller, or as otherwise provided under this Agreement. In the event of any dispute between Buyer and Seller, the Escrow Agent shall deposit the sums with the Court of Common Pleas of Cumberland County or to any impartial party or trustee as agreed between Buyer and Seller to hold said sums in accordance until further direction of Buyer and Seller or final Court order.

3. TITLE. Title to the Premises shall be good and marketable, fee simple title, free and clear of all liens, claims of adverse possession or prescriptive rights, easements, covenants, restrictions and other encumbrances which directly adversely impact upon the present use of the Premises ("Encumbrances") whatsoever, as shall be insurable as such at regular rates by title companies licensed to do business in the Commonwealth of Pennsylvania. Buyer shall have the sole but reasonable discretion to determine whether the title is acceptable to Buyer for the use set forth herein and such determination is an absolute condition precedent to Buyer's obligations hereunder, provided that Buyer informs Seller of any unacceptable title conditions ("Buyer's Objections") prior to the end of the due diligence period, exclusive of title conditions which arise subsequent to the due diligence period but prior to Settlement. Buyer shall perform its initial title examination within the due diligence period and at that time give a preliminary written notice to the Seller concerning the acceptability of title. A final title examination will be done prior to transfer of title. In the event, however, Buyer would determine that title is not acceptable, Buyer shall timely provide Seller

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written notice of any defects, deficiency, clouds in said title, and Seller shall, within ten (10) days after receipt of Buyer's Title Objections, give written notice to Buyer ("Seller's Notice") stating whether Seller will cure all Buyer's Objections on or prior to the Closing, or which of such objections Seller will refuse to cure. If Seller's Notice indicates that Seller refuses to cure any Buyer's Objection, then Buyer shall have the option to take title with the objectionable condition "as- is" or terminate this Agreement on written notice to Seller given within ten (10) days of receipt of Seller's Notice, in which event Escrow Agent shall refund the Deposit to Buyer, whereupon neither party shall have any further duty or obligation to the other. Seller shall at Closing, convey marketable title free and clear of all Buyer's Objections which Seller agreed in Seller's Notice Seller would cure. In addition, and notwithstanding anything to the contrary set forth in this Agreement, Seller shall cure at or prior to Closing any Encumbrance which can be removed at time of Closing by payment of liquidated amount or by posting a bond, as well as any Encumbrance arising after the date of Buyer's delivery of Buyer's Objections and prior to the Closing Date, except for any of the foregoing arising from the acts or omissions of Buyer, its agents, contractors or employees. Seller shall not be obligated to cure non-liquidated Encumbrances (e.g., easements, covenants and restrictions) of record as of the date of Buyer's Objection and which Seller advises Buyer in Seller's Notice that Seller does not wish to cure. Seller shall have a period not to exceed forty-five (45) days to cure any Buyer's Objection to Buyer's reasonable satisfaction, which may require an appropriate extension of the Closing Date.

4. PROPERTY INFORMATION AND DOCUMENTATION. To the extent such items are in Seller's possession or control, Seller shall provide to Buyer the following (the, "Property

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Information"), to the extent not previously provided to Buyer, and to the extent applicable and/or in existence, within seven (7) business days after the date of this Agreement:

a) Rent Roll - Seller has previously furnished to Cassidy & Pinkard, who has in turn furnished to Buyer, a rent roll for the Property, a

true and correct copy of which is marked Exhibit "A", incorporated herein by reference thereto and made a part hereof. However, Seller will, in addition, provide a current delinquency report upon seven (7) business days after the date of this Agreement. Not more than four (4) days before date of Closing (the, "Closing Date"), Seller shall deliver to Buyer an updated Rent Roll certified by Seller as true and accurate as of the date delivered bearing no material variations from the Rent Roll attached hereto as Exhibit "A";

b) Operating Statements. Operating statements of the Premises in the form utilized by Seller for the thirty-six (36) months preceding this Agreement ("Operating Statements");

c) Tax Statements. Copies or a summary of ad valorem tax statements relating to the Premises for the current year or other current tax period (if available) and the twenty-four (24) months preceding this Agreement;

d) Leases. Copies of all Leases (including all amendments and guarantees) and a list ("Commission Schedule") of commission agreements related to the Leases or the Premises;

e) Service Contracts. A list together with copies of all management, service, supply, equipment rental, and other contracts related to the operation of the Premises ("Service Contracts");

f) Maintenance Records. All available maintenance work orders for the twelve (12) months preceding this Agreement;

g) List of Capital Improvements. A list of all capital improvements known to Seller and performed on the Premises within the twenty-four (24) months preceding this Agreement;

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h) Other Reports. Any other report, document, study, material or information (including, without limitation, environmental and soils reports) in Seller's possession or control related to the Premises;

i) Plans and Specifications. All construction plans and specifications in Seller's possession relating to the original development of the Premises and any major capital repairs or tenant improvements; and

j) Existing Title and Survey Documents. Copy of Seller's existing title insurance policy and any existing surveys of the Premises, to include the approved Land Development Plan; and

k) Utility Bills. Copies of utility bills for a period of the twelve (12) previous months preceding this Agreement;

l) Tenant Billings. Copies of all tenant billings for CAM, taxes and insurance for the preceding 24 months and the amounts paid by tenants therefor.

Upon delivery of the last item of Property Information, Seller shall promptly deliver to Buyer a written notice (the, "Property Information Notice") certifying that all such deliveries have been completed together with an itemization of the matters delivered or made available to Buyer. The term "Commencement Date" shall mean the date upon which the Property Information Notice is received by Buyer or, if the Seller does not send a Property Information Notice, then the date the Buyer reasonably determines that it has received all of the Property Information. Notwithstanding the foregoing, under no circumstances shall the Commencement Date be earlier than the date of this Agreement. Seller shall have an ongoing obligation during the pendency of this Agreement to provide Buyer with any document described above and coming into Seller's possession or produced

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by Seller after the initial delivery of the Property Information. If Buyer does not purchase the Premises, all materials provided to Buyer, in accord with this Paragraph 4, or otherwise, shall be promptly returned to Seller.

5. DUE DILIGENCE. Buyer shall have, through the last day of the due diligence period, which shall be thirty (30) days from the Commencement Date, or five (5) days from the date Buyer receives an appraisal of the Premises and Phase I environmental report, whichever is later (but in no event later than forty-five (45) days from the Commencement Date), in which to examine, inspect and investigate the Premises and, in Buyer's sole and absolute judgment and discretion, to determine whether the Premises is acceptable to Buyer and to obtain all necessary internal approvals, (the "Due Diligence Period"). In the event the Buyer determines in its reasonable discretion that a Phase II environmental report is necessary to permit Buyer to complete Buyer's due diligence, the Due Diligence Period shall be extended for a reasonable period of time, not to exceed thirty (30) days, from the date the Buyer receives the Phase I environmental report. If Buyer, by written notice to Seller, waives its right

to terminate this Agreement pursuant to this Paragraph prior to the last day of the Due Diligence Period, then the Due Diligence Period shall be deemed to have ended on the date such notice is received by Seller. Notwithstanding anything to the contrary in this Agreement, Buyer may terminate this Agreement by giving notice of termination to Seller (the, "Due Diligence Termination Notice") on or before the last day of the Due Diligence Period. If Buyer does not give the Due Diligence Termination Notice, this Agreement shall continue in full force and effect. If this Agreement terminates pursuant to this Paragraph, the First Deposit, other than the \$5,000.00 identified as non-refundable, shall be refunded to Buyer immediately, and all further rights and obligations of the parties under this Agreement shall terminate. If this Agreement is not terminated

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pursuant to this Paragraph, Buyer shall have the obligation to immediately place in escrow the Second Deposit and the Deposit (i.e., First Deposit and Second Deposit) which shall then be deemed non-refundable absent Seller's breach. In the event that Buyer would not proceed with this Agreement, it shall furnish to Seller copies of all tests, surveys, reports and inspections obtained by Buyer without cost. Seller shall receive notice of the performance of any tests and inspections and have the right to be present.

Buyer shall have reasonable access to the Premises for the purpose of conducting surveys, architectural, engineering, geotechnical and environmental inspections and tests (including intrusive inspection and sampling), and any other inspections, studies or tests reasonably required by Buyer, but in a manner not disruptive of ongoing business. Seller shall cooperate with Buyer and enforce the provisions of existing tenants' leases, if necessary to facilitate Buyer's access and inspections. Buyer shall keep the Premises free and clear of any liens and will indemnify, defend and hold Seller harmless from all claims and liabilities asserted against Seller as a result of any such entry by Buyer, its agents, employees or representatives. If any inspection or tests disturbs the Premises, Buyer will restore the Premises to the same condition as existed prior to any such inspection or test. Buyer and its agents, employees and representatives shall have a continuing right of reasonable access to the Premises during the pendency of this Agreement for the purpose of examining and making copies of all books and records and other materials relating to the Premises in Seller's or its property manager's possession and Buyer shall have the right to conduct a "walk-through" of the Premises prior to Closing upon appropriate notice to tenants as permitted under the Leases. In the course of its investigations, Buyer may make inquiries to third parties, including, without limitation, tenants, lenders, contractors, property managers, parties to Service Contracts and municipal, local and other

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government officials and representatives, and Seller consents to such inquiries, provided same are performed in a professional manner and does not disrupt any ongoing business. The obligations of the Buyer under this Paragraph shall survive the termination of this Agreement.

6. TENANT ESTOPPELS. Seller shall secure and deliver to Buyer, no later than five (5) business days before the Closing Date, estoppel certificates from Giant Food Stores, Inc., Pennsylvania Liquor Control Board, McDonalds Corporation and seventy-five percent (75%) of the other tenants in the form of Exhibit "B" attached hereto ("Tenant Estoppels"). The Tenant Estoppels shall be delivered to the tenants no earlier than twenty (20) days prior to the Closing Date. Seller shall provide Buyer with copies of the Tenant Estoppels for Buyer's review and comment before delivering the Tenant Estoppels to tenants. Buyer's obligation to close the transaction contemplated under this Agreement is subject to the condition that as of Closing: (i) Estoppel Certificates for all Leases consistent with the Rent Roll and the representations of Seller in Paragraph 10 have been delivered to Buyer, (ii) no material default or claim by landlord or tenant shall have arisen under any Leases that was not specifically disclosed in the Rent Roll; and (iii) no tenant shall have initiated or had initiated against it any insolvency, bankruptcy, receivership or other similar proceeding. Seller shall use its best efforts to obtain and timely deliver the required certificates. In the event all required certificates are not available by the date of Closing, Closing shall be continued for up to seven (7) business days to acquire same.

7. SERVICE CONTRACTS. During the Due Diligence Period, the parties will endeavor to agree as to which Service Contracts Buyer will assume and which Service Contracts, to the extent legally possible, will be terminated by Seller at Closing. Buyer will assume the obligations arising from and after the Closing Date under those Service Contracts that are not in

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default as of the Closing Date and which Seller and Buyer have agreed will not be terminated and those Service Contracts which, by their terms, are not capable

of termination at that time. Seller shall terminate at Closing all Service Contracts that are not so assumed and are legally capable of being terminated at that time. Seller shall terminate at Closing, and Buyer shall not assume, any property management agreement affecting the Premises.

8. OPERATIONS AND RISK OF LOSS.

A. Ongoing Operations. During the pendency of this Agreement:

1. Performance Under Leases, Service Contracts and Loans.

Seller shall (i) carry on its business and activities relating to the Premises substantially in the same manner as it did before the date of this Agreement, and (ii) perform its material obligations under the Leases and Service Contracts and other agreements that may affect the Premises. Effective as of the Closing Date, each party agrees to indemnify and hold the other harmless from any default or breach by the other under the Service Contracts and Leases assumed by Buyer.

2. New Contracts. Seller will not enter into any contract that will be an obligation affecting the Premises subsequent to the Closing except contracts entered into in the ordinary course of business that are terminable without cause on thirty (30) days' notice.

3. Listings and Other Offers. Seller will not list the Premises with any broker or otherwise solicit or make or accept any offers to sell the Premises, engage in any discussions or negotiations with any third party with respect to the sale or other disposition of the Premises, or enter into any contracts or agreements (whether binding or not) regarding any disposition of the Premises.

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4. Leasing Arrangements. Seller will not amend, terminate or enter into any Lease without Buyer's prior written consent in such instance, which consent shall not be unreasonably withheld, delayed or conditioned.

5. Removal and Replacement of Tangible Personal Property.

Seller will not remove any Tangible Personal Property except as may be required for necessary repair or replacement, and replacement shall be of equal quality and quantity as existed as of the time of its removal.

B. Damage. Risk of loss up to and including the Closing Date shall be borne by Seller. In the event of any material damage to or destruction of the Premises or any portion thereof, Buyer may, at its option, by notice to Seller given within ten (10) days after Seller notifies Buyer of such damage or destruction (and, if necessary, the Closing Date shall be extended to give Buyer the full 10-day period to make such election): (i) terminate this Agreement and the Deposit shall be immediately returned to Buyer, or (ii) proceed under this Agreement, receive any insurance proceeds for property repair and replacement (including any rent loss insurance applicable to any period on and after the Closing Date) due Seller as a result of such damage or destruction and assume responsibility for such repair, and Buyer shall receive a credit at Closing for any deductible, uninsured or coinsured amount under said insurance policies. If Buyer elects (ii) above, Buyer may extend the closing Date for up to an additional 30-day period in which to obtain insurance settlement agreements under Seller's insurers, and Seller will cooperate with Buyer in obtaining the insurance proceeds and such agreements from Seller's insurers. If the Premises is not materially damaged, then Buyer shall not have the right to terminate this Agreement, but Seller shall, at its cost, repair the damage before the Closing in a manner reasonably satisfactory to Buyer or, if repairs cannot be

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completed before Closing, credit Buyer at Closing for the reasonable cost to complete the repair. "Material damage" and "Materially damaged" means damage (i) reasonably exceeding two (2%) percent of the purchase price to repair, (ii) that entitles a tenant to terminate its Lease, or (iii) which, in Buyer's reasonable estimation, will take longer than ninety (90) days to repair.

C. Condemnation. In the event any proceedings in eminent domain are contemplated, threatened or instituted by any body having the power of eminent domain with respect to the Premises or any portion thereof, Buyer may, at its option, by notice to Seller given within ten (10) business days after Seller notifies Buyer of such proceedings (and, if necessary, the Closing Date shall be extended to give Buyer the full 10-business day period to make such election): (i) terminate this Agreement and all deposit money shall be immediately returned

to Buyer, or (ii) proceed under this Agreement, in which event Seller shall, at Closing, assign to Buyer its entire right, title and interest in and to any condemnation award, and Buyer shall have the sole right during the pendency of this Agreement to negotiate and otherwise deal with the condemning authority in respect of such matter.

9. REAL ESTATE TAXES AND ASSESSMENTS.

A. Real Estate Taxes. Real estate taxes and assessments shall be apportioned between the parties as of the date of Closing on a calendar or fiscal year basis, as may be appropriate. All water, sewer, refuse and all other utility charges, and/or lienable charges or assessments shall be paid by Seller up to the time of Closing. Interest and penalties, if any, shall be computed to a date occurring one (1) business day after the Closing Date.

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B. Rent. Buyer shall receive a credit for any rent and other income (and any applicable state or local tax on rent) under Leases collected by Seller before Closing that applies to any period after Closing. Uncollected rents and other uncollected income shall not be prorated at Closing. After Closing, Buyer shall apply all rent and income collected by Buyer from a tenant, unless the tenant properly identifies the payment as being for a specific item, first to such tenant's monthly rental for the month in which the Closing occurred and then to arrearages in the reverse order in which they were due, promptly remitting to Seller, after deducting collection costs, any rent properly allocable to Seller's period of ownership. Buyer shall bill and attempt to collect such rent arrearage in the ordinary course of business, but shall not be obligated to engage a collection agency or take legal action to collect any rent arrearage. Seller shall have the right to seek collection of any rents or other required income due applicable to any period before the Closing, upon notice to Buyer, if Seller has not received same, upon sixty (60) days after Closing. Any rent or other income received by Seller after Closing which is owed to Buyer shall be held in trust and remitted to Buyer promptly after receipt. This sub-section B. shall survive the Closing.

C. Additional Rent. Seller, as landlord under the Leases, is currently collecting from tenants under the Leases additional rent to cover taxes, insurance, utilities, maintenance and other operating costs and expenses (collectively, "Operating Expenses Pass-Throughs") incurred by Seller in connection with the ownership, operation, maintenance, and management of the Premises. If Seller collected estimated prepayments of Operating Expense Pass-Throughs in excess of any tenant's share of such expenses, then, if the excess can be determined by the Closing, Buyer shall receive a credit for the excess or, if the excess cannot be determined at Closing, Buyer shall receive a credit based upon an estimate, and the parties shall make an adjusting payment between them when

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the correct amount can be determined. In either event, Buyer shall be responsible for crediting or repaying those amounts to the appropriate tenants. If Seller collected estimated prepayments of Operating Expense Pass-Throughs attributable to any period after Closing, Seller shall pay or credit any such amounts to Buyer at Closing. To the extent that estimated payments of Operating Expense Pass-Throughs are required to be paid monthly by any tenant, and at the end of such tenant's lease year, or the calendar year, such estimated amounts are to be recalculated based upon actual amounts for that lease year or calendar year, with the appropriate adjustments being made with such tenants' then-Operating Expense Pass-Throughs for such tenant shall be finally prorated between Seller and Buyer at the time of such reconciliation with the tenant, using the Date of Closing as the proration date. At the time(s) of final calculation and collection from (or refund to) each tenant of the amounts in reconciliation of actual Operating Expense pass-Throughs for such period which have been collected, there shall be a re-proration between Seller and Buyer, taking into account the additional amount collected from (or refunded to) each tenant. In furtherance of the foregoing, if, with respect to any tenant, the recalculated Operating Expense Pass-Throughs is less than the estimated amount paid by such tenant, and a refund is paid by Buyer to such tenant, then the portion of the refund allocable to the period prior to the Closing, to the extent previously paid to or collected by Seller, shall be refunded by Seller to Buyer. If, with respect to any tenant, the recalculated Operating Expense Pass-Throughs exceeds the estimated amount paid by such tenant, and the shortfall is collected by Buyer from such tenant, the portion of such shortfall allocable to the period prior to the Closing, to the extent not previously paid to or collected by Seller, shall be paid by Buyer to Seller. Notwithstanding the foregoing, there shall, however, be an initial proration at Closing with regard

to all Operating Expense Pass-Throughs. The Seller shall provide Buyer no later than ten (10) days

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before the Closing Date with invoices, purchase orders and other documentation sufficient to establish Operating Expense Pass-Throughs for the Property incurred by Seller prior and up to the Closing Date, together with evidence of all amounts collected by tenants as of the Closing Date for such Operating Expense Pass-Throughs, so that Buyer can complete the year-end reconciliation billings to Tenants for Operating Expense Pass-Throughs.

D. Service Contracts. Seller or Buyer, as the case may be, shall receive a credit for regular charges under Service Contracts assumed by Buyer pursuant to this Agreement paid and applicable to Buyer's period of ownership or payable and applicable to Seller's period of ownership, respectively. (It is noted that other than the contract for landscaping services, which runs the end of the calendar year, and the pest control contract, which runs on an annual term, the current term expiring October 16, 2002, all service contracts are terminable upon three (3) days notice, except the security contract which is terminable upon ninety (90) days notice.)

E. Leasing Commissions. Leasing commissions for which Seller has paid in advance shall not be apportioned, nor shall Seller receive a credit therefor. However, there are two (2) leasing commission agreements, which are paid annually, to wit: Subway Real Estate Corp. and Holiday Hair, Inc., which commission obligation shall be prorated as of Closing. (Buyer shall be responsible for all further leasing commissions that are billed annually.) Buyer shall furthermore have any and all responsibilities for any leasing commissions due for any and all periods after the Closing Date, to include, with respect to any option to renew or expand not yet exercised by the respective tenant as of Closing. Buyer shall pay all leasing commissions with respect to any new lease or lease amendment executed after the date of this Agreement, provided that Buyer shall pre-approve in writing such new lease or lease amendment and the amount of such commission.

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F. Tenant Deposits. All tenant security deposits (and interest thereon if required by law or contract to be earned thereon) shall be transferred or credited to Buyer at Closing. As of the closing, Buyer shall assume Seller's obligations related to tenant security deposits, but only to the extent they are properly credited and transferred to Buyer.

10. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller does represent and warrant to Buyer and will reaffirm at the time of Closing, to wit:

a) Seller has not received notice of condemnation of all or any part of the Premises, notice of any assessment for public improvements, or notices with respect to any zoning ordinance or other law, order, regulation or requirement relating to the use of ownership of the Premises and, so far as known to Seller, there is no violation of any such governmental law, order, regulation or requirement.

b) Seller is not indebted to the federal government or any other public authorities for delinquent taxes, assessment or other charges of any nature whatsoever for which a lien has been or could be asserted against the Seller or the Premises and which will not be fully paid and discharged or released upon or prior to Closing.

c) Seller covenants and agrees that Seller, Seller's agents, servants, employees or tenants, if applicable, shall not in any way materially alter the present state of the Premises so long as this Agreement is in effect.

d) Seller has no knowledge, actual or constructive, that there has been a storage or deposit of hazardous substance on the Premises. Hazardous substances being any such substance as regulated or controlled as a hazardous or toxic substance by any governmental rule, regulation or statute.

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e) There are no leases, written or oral, affecting the Premises which Seller is aware of, except for the existing leases, copies of

which have all been provided to Buyer. All documents comprising the leases which affect the Premises, including all amendments, modifications, letter agreements, assignments and guaranties thereof or relating thereto have been provided by Seller to Buyer. There are no agreements, written or oral, affecting the Premises or any portion thereof in the nature of leases (including ground leases), concessions, licenses or occupancy agreements, or any amendments, modifications, side letters or guaranties thereof, other than the leases. True and correct copies of the leases have been previously delivered to Buyer.

f) Seller has fee simple title to the Premises, has the full right to enter into this Agreement and perform hereunder, and has not granted any option or entered into any other commitment to sell, lease other as hereinbefore permitted or encumber all or any part of the Premises.

g) Seller has full capacity, right, power and authority to execute, deliver and perform this Agreement and execute and deliver all documents to be executed by Seller pursuant hereto, and all required action therefor has or will by Closing be duly taken.

h) To the best of Seller's knowledge the consummation of the transaction contemplated by this Agreement will not result in a breach of any of the terms and conditions of, or constitute a default under, any agreement to which the Seller is now a party or which affects the Premises or violate or cause to be violated any judgment or decree of any court, administrative agency or governmental body.

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i) The representations and warranties made hereunder shall be reaffirmed at Settlement and shall survive for a period of one (1) year from the Closing of this transaction and shall not be merged in the deed from Seller to Buyer.

j) All alterations and improvements required to be performed by the landlord under any of the leases has been completed, all construction and other allowances and monetary concessions required to be paid by the landlord under the leases has been paid, and no tenant under any of the leases is entitled to any free rent or rent concession period. All brokerage fees and commissions due for any period through Closing have been in full, excepting only commissions payable annually or with respect to lease renewal, extension or expansions options which have not yet been exercised by any respective tenant.

k) The Rent Roll attached hereto as Exhibit A is hereby certified by Seller to be true and correct as of the date hereof ("Rent Roll Certificate") and shows for each rentable space in the Premises the tenant name, space number, monthly base or minimum rental, and common area maintenance expense and real estate tax reimbursement amounts, security deposit held, any defaults known by Seller to exist under any lease, the expiration date of each lease and designating any rights to renew or extend a lease. There are no tenant security deposits to be held by the landlord under the leases except as listed in the Rent Roll Certificate. At the Closing, Seller shall deliver to Buyer an updated Rent Roll Certificate. If any adverse change shall occur in such Rent Roll Certificate, Buyer shall have the rights set forth in Section 19.N hereof.

l. Except as expressly set forth on the Rent Roll Certificate, neither Seller as the landlord nor, to Seller's actual knowledge, any tenant under any of the leases is in default under any of the leases, nor to Seller's actual knowledge is there in existence any condition or fact which

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with notice or passage of time, or both, shall constitute a default by either the landlord or the tenant thereunder. Except as set forth on the Rent Roll Certificate, Seller has not collected base or minimum rent more than one month in advance from any tenant (excluding security deposits). Except as expressly provided in the leases, no tenant shall be entitled to any rebates, rent concessions or free rent. No tenant is presently contesting or raising objection to Operating Expense Pass-Throughs payable under its lease. All tenants are currently in possession and operating and no tenant has given notice that it intends to cease the conduct of business or vacate its premises prior to the expiration of its lease term.

m) Except for lawsuits concerning personal injury and property damage which would be covered under Seller's existing commercial liability insurance policy and defense of which has not been denied by Seller's insurance company, there is no litigation or proceedings pending or, to Seller's knowledge, threatened against, Seller or otherwise related to the Property

(including, but not limited to foreclosure, judicial sale, adverse possession, litigations with tenants or other proceedings.

n) Exhibit "C " attached hereto is a true, complete and correct list of all written and oral management, service, equipment, supply, maintenance or concession agreements with respect to or affecting the Premises (the "Service Contracts"). Except as specified on Exhibit "B", no such agreements exist which are not cancelable upon thirty (30) days notice. Each of the Service Contracts is in full force and effect and all amounts due thereunder have been paid in full. Neither Seller nor its agents have received any notice from any party to said agreements claiming the existence of any default or breach thereunder.

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o) There are no pending certiorari proceedings or other real estate tax contests or appeals brought by or on behalf of Seller. To Seller's knowledge, the improvements on the Premises are currently fully assessed for tax purposes as completed and occupied improvements and are not currently subject to any tax abatement, exemption or temporary tax reduction of any kind, nor to any assessments/linkage/impact fees relating to the initial construction of the project.

p) EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN ANY DOCUMENT EXECUTED PURSUANT TO OR IN CONNECTION WITH THIS AGREEMENT, THIS SALE AND CONVEYANCE IS MADE ON AN AS-IS WHERE-IS BASIS AND SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PREMISES, THE STATE OF REPAIR OF THE PREMISES, OR WITH RESPECT TO SOIL CONDITIONS OR THE PRESENCE OR RELEASE OF HAZARDOUS MATERIALS. THIS DISCLAIMER DOES NOT EFFECT AN ASSUMPTION OF ANY LIABILITY BY BUYER AND IT SHALL NOT BE CONSTRUED TO WAIVE ANY RIGHTS OF CONTRIBUTION OR INDEMNITY OR OTHERWISE AFFECT THE LIABILITIES OF THE PARTIES TO EACH OTHER OR TO THIRD PARTIES UNDER ENVIRONMENTAL LAWS.

11. Closing and Delivery of Deed. Closing shall be held thirty (30) days after completion of the Due Diligence Period, as hereinbefore provided. Closing shall take place by use of an escrow procedure reasonably acceptable to Seller and Buyer and using the Title Company as escrow agent (with all proceeds being wired through the national office of a national title company such as First American Title, Commonwealth Title Insurance Company, Chicago Title Insurance Company or the like) or at the offices of Seller's attorney, unless a different location is approved in writing by the

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parties. At Closing, Seller shall convey to Buyer good and marketable title to the Premises in the state required under Section 3 hereof by a recordable and transferable special warranty deed. Buyer shall pay one-half (1/2) of the total Pennsylvania realty transfer tax obligation, and shall furthermore contribute Thirty-Three Thousand Three Hundred and Thirty-Three (\$33,333.00) Dollars toward the balance of said obligation of Seller. In addition to the deed, Seller shall execute and deliver to Buyer at the Closing (i) a general instrument of transfer, including a bill of sale and assignment and assumption of leases, in the form attached as Exhibit "D" hereto, (ii) a FIRPTA Certificate, (iii) an updated Rent Roll Certificate, certified by Seller as being true and correct as of the Closing Date, (iv) an updated schedule of leases, certified by Seller as being true and correct as of the Closing Date, (v) a certificate of Seller, certifying as of Closing Date the continued truth without material change (or identifying any changes therefrom which may not be reflected on the updated Rent Roll Certificate or updated schedule of leases) of all of the representations and warranties of Seller set forth in Section 10 hereof, (vi) the estoppel certificates required under Section 6 hereof, (vii) notices to each tenant advising them of the sale and directing them as to where all future payments of rent and notices should be sent, in form as required by the Buyer (which shall not be sent until after completion of the Closing), (viii) an "information for 1099 form", sufficient in order for the Buyer to report the sale to the Internal Revenue Service, (ix) an affidavit of title in form required by Buyer's title insurance company in order to insure title required to be delivered under Section 3 hereof, and without exception for potential mechanic's lien claims, (x) such other instruments and documents as may be reasonably required by Buyer's title company in order to establish Seller's due existence and good standing and authority to complete the transaction contemplated by this Agreement, (xi) originals (to the extent within Seller's possession or control) of each of the Property

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Information, current as of the Closing Date (in particular, but without limitation, originals of all leases) and (xii) such other instruments or documents as may be otherwise referred to in this Agreement or which may be reasonably required in order to complete the transactions contemplated in this Agreement. Seller shall deliver full and exclusive possession of the Property to Buyer on the Closing Date, subject only to rights of tenants under the leases, as tenants only.

12. BROKER/SELLER'S AGENT. It is understood that Seller shall be responsible for a real estate commission to Cassidy & Pinkard, and shall save Buyer harmless for liability therefor. Each party represents to the other that they have not dealt with any other broker on this transaction and will save harmless and indemnify the other for any claims for real estate commissions or other fees brought by any broker or other person claiming to have dealt with such party.

13. GOVERNING LAW. This Agreement shall be construed and governed pursuant to the laws of the Commonwealth of Pennsylvania.

14. SELLER'S DEFAULT. If there shall occur a material breach of a representation or warranty of Seller under this Agreement, or if Seller shall otherwise fail to perform its obligations as required under this Agreement, then Buyer may elect to (i) accept title to the Premises subject to the defaulted obligation of Seller, (ii) terminate this Agreement, in which event the Escrow Agent shall disburse the Deposit to Buyer and Seller shall reimburse Buyer for all costs incurred in Buyer's performance of due diligence with a limit of Twenty-Five Thousand (\$25,000.00) Dollars, or (iii) bring an action against Seller for specific performance of this Agreement, and Buyer shall have the right to recover from Seller in such action its reasonable attorneys' fees and disbursements incurred in connection therewith. In the event Seller's default is a Willful Default (as hereinafter defined), Seller shall reimburse Buyer for all reasonable costs incurred in Buyer's performance of due

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diligence, plus the sum of One Hundred Thousand (\$100,000.00) Dollars. The term "Willful Default" as used in this Agreement shall mean an intentional failure of Seller to observe or perform a material covenant or condition of this Agreement, the observance or performance of which is strictly within Seller's reasonable control (by way of example, but not way of limitation, the intentional refusal of Seller to convey title or the creation by Seller of the imposition of additional substantial liens on the Premises prior to Closing which Seller will not discharge at Closing shall be considered Seller's "Willful Default"). One of Double M Development's partners, Mark G. Caldwell, and an affiliate entity owned by Mark G. Caldwell, Caldwell Development, Inc., have also entered into sales agreements, contemporaneously herewith, with Buyer for properties commonly identified as Newport Plaza (Caldwell Development, Inc.) and Halifax Plaza (Mark G. Caldwell, Individually). It is agreed that, if a default has occurred by Seller in any of these agreements, the same shall be deemed a default hereunder.

15. BUYER'S DEFAULT. If this transaction fails to close due to the default of Buyer, then Seller's sole remedy in such event shall be to terminate this Agreement and to retain the deposits as liquidated damages, Seller waiving all other rights or remedies in the event of such default by Buyer. The parties acknowledge that Seller's actual damages in the event of a default by Buyer under this Agreement will be difficult to ascertain, and that such liquidated damages represent the parties' best estimate of such damages. Buyer shall have no other remedies other than as specifically stated. Buyer has also entered into a sales agreements, contemporaneously herewith, with one of Double M Development's partners, Mark G. Caldwell and Caldwell Development, Inc.,

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for properties commonly identified as Newport Plaza and Halifax Plaza and a default by Buyer in any of these agreements shall constitute a default hereunder.

16. ATTORNEYS' FEES. The unsuccessful party in any litigation arising from breach or alleged breach of this Agreement will reimburse the successful party for any and all reasonable legal fees incurred in curing or attempting to cure a default.

17. AMENDMENT. This Agreement shall not be altered, amended, changed or modified except in writing by the parties hereto.
18. NOTICES. All notices required to be given by any of the provisions of this Agreement, unless otherwise stated, shall be in writing and delivered in person, by facsimile (with a copy concurrently sent out the same day by nationally recognized overnight delivery service), by certified mail, return receipt requested or by nationally recognized overnight delivery service, postage or shipping charges prepaid (or on standing account) to the appropriate party at the address set forth below or to such other address as such parties may hereafter specify by notice given in accordance with this section. All notices to be set forth below.

a) To the Seller:

Double M Development
Attn: Mark G. Caldwell, Managing Partner
434 North Front Street
Wormleysburg, PA 17043

With a copy to:

James R. Clippinger, Esquire
Caldwell & Kearns
3631 North Front Street
Harrisburg, PA 17110

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b) To the Seller:

Cedar Income Fund Partnership, L.P.
44 South Bayles Avenue
Port Washington, NY 11050
Attn: Leo S. Ullman, President

With a copy to:

Warren S. Sacks, P.C.
777 Westchester Avenue, Suite 204
White Plains, NY 10604

Notices shall be deemed given on the date received, or if delivery is refused, on the date delivery is first attempted, provided however that notices by facsimile shall be deemed given on the date transmitted at or before 5:00 P.M., provided a copy is sent out the same day by nationally recognized overnight delivery service.

19. Extension of Closing Date. Buyer may unilaterally extend the time for Closing for a period up to thirty (30) days, provided Buyer provides Seller written notice specifying the reason for extension of Closing no later than ten (10) days prior to the date previously scheduled, and provided payments to Seller are made of Two Thousand Five Hundred (\$2,500.00) Dollars per day for each additional day required for extension. It is understood that all such payment(s) shall be earned upon receipt and added to the purchase price.

20. MISCELLANEOUS

A. Parties Bound. Neither party may assign this Agreement without the prior written consent of the other, and any such prohibited assignment shall be void; provided, however, that Buyer and/or Seller may assign this Agreement without Seller's consent to an affiliate or to effect an exchange pursuant to Paragraph 19.K. herein. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns,

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heirs, and devisees of the parties. For the purposes of this Paragraph, the term "affiliate" means (i) an entity that directly or indirectly controls, is controlled by or is under common control with the Buyer or of which Buyer or its affiliated entity is the general partner or managing member, or (ii) an entity at least a majority of whose economic interest is owned by Buyer; and the term "control" means the power to direct the management of such entity through voting rights, ownership or contractual obligations.

B. Paragraph Headings. All references to paragraph headings are for convenience only and shall neither limit nor expand any of the written terms of this Agreement.

C. Time is of the Essence. Time is of the essence with regard to the respective duties and obligations of the parties hereto.

D. Survival. The provisions of this Agreement that contemplate performance after the Closing and the obligations of the parties not fully performed at the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments at Closing.

E. No Third Party Beneficiary. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third party beneficiary, decree or otherwise.

F. Complete Agreement. This Agreement contains the entire and binding agreement between Seller and Buyer. There are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever concerning this sale.

G. Confidentiality. Seller shall make no public announcement or disclosure of any information related to this Agreement to outside brokers or third parties, before or after the Closing, without the prior written specific consent of Buyer; provided, however, that Seller may make

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disclosure of this Agreement to its lenders, creditors, officers, employees and agents to perform its obligations hereunder.

H. Consents. Any consents required to be obtained in accord with this Agreement shall not be unreasonably withheld, conditioned or delayed.

I. Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and agree that the normal rule of construction, to the effect that any ambiguities are to be resolved against the drafting party, shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

J. Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included at, unless such last day is a Saturday, Sunday or legal holiday for national banks, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The last day of any period of time described herein shall be deemed to end at 5:00 p.m. daylight savings time.

K. Execution in Counterparts. This Agreement 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 Agreement, the parties may execute and exchange by telephone facsimile counterparts of the signature pages.

L. Section 1031 Exchange. Both Buyer and Seller shall have the right to consummate this transaction as part of a so-called like kind exchange (the, "Exchange") pursuant to ss.1031 of the Internal Revenue Code of 1986, as amended (the, "Code"), provided that: (i) the Closing shall not

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be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to either party's obligation under this Agreement, (ii) the party engaging in the Exchange shall effect the Exchange through an assignment of this Agreement, or its rights under this Agreement, to a qualified intermediary; (iii) neither party shall be required to take an assignment of the purchase agreement for the relinquished property or be required to acquire or hold title to any real property for purposes of consummating the Exchange; (iv) the party engaging in the Exchange shall pay any additional costs that would not otherwise have been incurred by the other had the transaction not been consummated through the Exchange. Neither party shall by this agreement or acquiescence to the Exchange: (a) have their rights under this Agreement affected or diminished in any manner, or (b) be responsible for compliance with or be deemed to have warranted to the other that the Exchange in fact complies with ss.1031 of the Code.

M. Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at Closing, each party agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after Closing, any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Premises to Buyer.

N. Changed Circumstances. If any event shall occur after the Commencement Date, and before the Closing Date, which is not caused by Seller ("Changed Circumstances"), that renders untrue any representation or warranty made by Seller in this Agreement, it shall not constitute a breach by Seller of such representation or warranty, and Seller's reaffirmation of such representation

or warranty at Closing may be qualified by such Changed Circumstance. If Seller shall obtain knowledge of any Changed Circumstance, Seller shall provide notice thereof to Buyer within a reasonable period of time. In the event Buyer receives actual notice of any Material Changed Circumstance, whether from Seller or any other source, including its own investigations, then Buyer shall have the right to terminate this Agreement, in which event both parties shall be relieved from any further obligation under this Agreement, and the Deposit shall be returned to Buyer. For purposes of this Agreement, a "Material" Changed Circumstance shall be one that (when taken together with all other Changed Circumstances) would be reasonably expected to decrease the annual net operating income of the Property by more than one and one-half of one percent or would otherwise reasonably be considered material by a Buyer of similar properties.

IN WITNESS WHEREOF, the parties, representing to each other that the authorized representative of the party executing on behalf of each party is duly authorized and has the ability to so execute the document on behalf of that party, have caused this Agreement to be executed as of the day and year first above written.

	BUYER:
ATTEST:	CEDAR INCOME FUND PARTNERSHIP, L.P.
_____	By: _____
	Title: _____
	SELLER:
ATTEST:	DOUBLE M DEVELOPMENT
_____	By: _____
	Title: _____

Escrow Agent hereby acknowledges receipt of The First Deposit and agrees to hold and disburse The Deposit in accordance with all of the terms and conditions of the foregoing Agreement.

ESCROW AGENT
By: _____

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LIMITED PARTNERSHIP AGREEMENT
OF
FAIRVIEW PLAZA ASSOCIATES, LP

Property: Fairview Plaza, New Cumberland, Pennsylvania

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LIMITED PARTNERSHIP AGREEMENT OF
FAIRVIEW PLAZA ASSOCIATES, LP

This Limited Partnership Agreement (this "Agreement") is entered into as of _____, 2003, between CIF-FAIRVIEW ASSOCIATES, LLC, a Delaware limited liability company (the "Developer Partner"), and FAIRPORT ASSOCIATES, LP, a Delaware limited partnership (the "Limited Partner").

ARTICLE 1

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Act" means the Delaware Revised Uniform Limited Partnership Act, as it may be amended from time to time.

"Additional Capital Contribution" has the meaning assigned to such term in Section 6.2.

"Adjusted Capital Account Deficit" means, with respect to any Partner for any taxable year or other period, the deficit balance, if any, in such Partner's Capital Account as of the end of such year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Partner is obligated to restore or is deemed obligated to restore as described in the penultimate sentence of Regulation Section 1.704-2(g) (1) and in Regulation Section 1.704-2(i) (5); and

(b) Debit to such Capital Account the items described in Regulation Sections 1.704-1(b) (2) (ii) (d) (4), (5), and (6).

"Affiliate" means, with respect to a Person, another Person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Person in question. The term "control" as used in the preceding sentence means, with respect to a Person that is a corporation, the right to exercise, directly or indirectly, more than 5% of the voting rights attributable to the shares of the controlled corporation, and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled Person.

"Approved Loans" shall mean loans made to the Partnership which are approved in writing by the Limited Partner. The Mortgage Loan shall be an Approved Loan.

"Bankruptcy" means, with respect to a Person, the occurrence of (1) an assignment by the Person for the benefit of creditors; (2) the filing by the Person of a voluntary petition in bankruptcy; (3) the entry of a judgment by any court that the Person is bankrupt or insolvent, or the entry against the Person of an order for relief in any bankruptcy or insolvency proceeding; (4) the filing of a petition or answer by the Person seeking for itself any

reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (5) the filing by the Person of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding for reorganization or of a similar nature; (6) the consent or acquiescence of the Person to the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties; or (7) any other event which would cause the Person to cease to be a Partner of a limited partnership under Section 18-304 of the Act.

"Business Day" means any day other than Saturday, Sunday, or other day on which commercial banks in New York are authorized or required to close under the laws of the State of New York.

"Capital Account" shall have the meaning set forth in Section 9.1.

"Capital Contribution" means, with respect to each Partner, the amount of (a) cash and the initial Gross Asset Value of any property (net of liabilities assumed by the Partnership resulting from such contribution and liabilities to which the property is subject) contributed to the Partnership by that Partner plus (b) with the Limited Partner's written consent, the amount of such Partner's payments made to creditors of the Partnership after the date hereof with respect to Partnership obligations (until such amount is reimbursed to such Partner).

"Capital Proceeds" means funds of the Partnership arising from a Capital Transaction, less (a) the actual costs incurred by the Partnership with third parties in consummating the Capital Transaction, (b) the amount of any Approved Loan repaid from such funds, and (c) reserves approved by the Partners in amounts reasonably estimated to be required to pay Partnership or expenses.

"Capital Transaction" means the sale, financing, refinancing or similar transaction of or involving any part or all of the Project Interests (including condemnation awards, payment of title insurance proceeds or casualty loss insurance proceeds [other than business interruption or rental loss insurance proceeds], to the extent such awards and proceeds are not applied to mortgage indebtedness and not used to repair damage caused by a casualty or taking or in alleviation of any title defect).

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"Certificate" shall mean a certificate of limited partnership dated December __, 2002 filed pursuant to the Act forming the Partnership.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any corresponding provisions of succeeding law.

"Depreciation" means, for each taxable year or other period, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for the year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of the year or other period, Depreciation will be an amount which bears the same ratio to the beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for the year or other period bears to the beginning adjusted tax basis, provided that if the federal income tax depreciation, amortization, or other cost recovery deduction for the year or other period is zero, Depreciation will be determined with reference to the beginning Gross Asset Value using any reasonable method selected by the General Partner, subject to the Limited Partner's approval. Notwithstanding the foregoing of this definition, if the Company has adopted the "remedial allocation method" described in Section 1.704-3(d) of the Regulations with respect to any asset, Depreciation for such asset shall be determined in accordance with Section 1.704-3(d)(2) of the Regulations, rather than in accordance with the preceding sentence.

"Fairport Partnership Agreement" shall mean the Partnership Agreement of Fairport Associates, LP dated as of January __, 2003 between Kimco Preferred Investor III, Inc. and CIF-Fairport Associates, LLC, as the same may hereafter be amended or restated.

"GAAP" means generally accepted accounting principles, consistently applied.

"General Partner" means the Partner designated as a General Partner in accordance with this Agreement, until such Person ceases to be the General Partner.

"Gross Asset Value" has the meaning assigned to it in Section 9.2.

"Lease Parameters" shall mean the lease parameters that the Developer Partner and the Limited Partner agree upon from time to time in writing.

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"Major Decision" has the meaning assigned to such term in Section 4.1(b).

"Management Agreement" has the meaning assigned to such term in Section 4.8.

"Mortgage" has the meaning assigned to such term in Section 14.2.

"Mortgage Loan" shall mean the mortgage loan in the sum of \$6,080,000.00 to be made by General Electric Capital Corporation to the Partnership pursuant to a Loan Agreement to be entered into between the Partnership and General Electric Capital Corporation.

"Net Cash Flow" for any period means Net Operating Income for such period less debt service on Approved Loans actually paid during such period.

"Net Operating Income" for any period means the amount by which Operating Revenues for such period exceed Operating Expenses for such period.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a given period equals the excess, if any, of the net increase, if any, in the amount of Partnership Minimum Gain during such period, over the aggregate amount of any distributions during such period of proceeds of a Nonrecourse Liability that are allocable to an increase in Partnership Minimum Gain, determined according to the provisions of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"Operating Budget" means the annual budget, prepared by the General Partner and submitted in writing to, and approved by, the Limited Partner, and setting forth the estimated capital and operating expenses of the Partnership for the then current or immediately succeeding calendar year and for each month and each calendar quarter of such calendar year, in such detail as the Limited Partner shall reasonably require.

"Operating Expenses" means, for any period, amounts actually paid by the Partnership for such period (calculated on a cash basis), for operating expenses of the Project, for capital expenditures not paid from the Partners' Capital Contributions, for indemnification obligations incurred under Section 4.9 and for reserves actually funded and approved by the Limited Partner (or permitted under the current Operating Budget). Operating Expenses shall not include debt service on Approved Loans, and any non-cash expenses such as depreciation or amortization.

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"Operating Revenues" means, for any period, the gross receipts of the Partnership (calculated on a cash basis) arising from the ownership and operation of the Project during such period, including proceeds of any business interruption insurance maintained by the Partnership from time to time, but specifically excluding Capital Proceeds and Capital Contributions.

"Partner Nonrecourse Debt" means "partner nonrecourse debt" as defined in Regulations Sections 1.704-2(b)(4).

"Partner Nonrecourse Debt Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Partner Nonrecourse Deductions" means "partnership nonrecourse deductions" as defined in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"Partners" means the Limited Partner, the Developer Partner, and each Person hereafter admitted as a Partner in the Partnership in accordance with this Agreement, until such Person ceases to be a Partner of the Partnership.

"Partnership" means Fairview Plaza Associates, LP, a Delaware limited partnership, or any successor thereto.

"Partnership Interests" means all of the rights and interests of whatsoever nature of the Partners in the Partnership, including without limitation the right to participate in management to the extent herein expressly provided, to receive distributions of funds, and to receive allocations of income, gain, loss, deduction, and credit.

"Partnership Minimum Gain" means "partnership minimum gain" as defined in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Person" means an individual or entity.

"Profits" and "Losses" mean, for each taxable year or other period, an amount equal to the taxable income or loss of the Partnership for the year or other period, determined in accordance with Section 703(a) of the Code (including all items of income, gain, loss or deduction required to be stated separately under Section 703(a) (1) of the Code), with the following adjustments:

1. Any income that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses will be added to taxable income or loss;

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2. Any expenditures described in Code Section 705(a) (2) (B) or treated as Section 705(a) (2) (B) expenditures under Regulations Section 1.704-1(b) (2) (iv) (i), and not otherwise taken into account in computing Profits or Losses, will be subtracted from taxable income or loss;

3. Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Gross Asset Value of the property, notwithstanding that the adjusted tax basis of the property differs from its Gross Asset Value;

4. In lieu of depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there will be taken into account Depreciation for the taxable year or other period;

5. Any items which are specially allocated under Section 9.3(c), 9.3(d), or 9.3(e) will not affect calculations of Profits or Losses; and

6. If the Gross Asset Value of any Partnership asset is adjusted under Section 9.2(b) or 9.2(c), the adjustment will be taken into account as gain or loss from disposition of the asset for purposes of computing Profits or Losses.

"Project" means the land and the improvements located thereon known as Fairview Plaza, located in New Cumberland, Pennsylvania, consisting of approximately 6.768 acres with a shopping center constructed thereon.

"Regulations" means the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Regulations shall include any corresponding provisions of succeeding, similar, substitute proposed or final Regulations.

"Regulatory Allocations" has the meaning assigned to it in Section 9.4(d).

"Removal Event" has the meaning assigned to such term in Section 4.4.

"Sharing Ratios" means the percentages in which the Partners participate in, and bear, certain Partnership items specified in this Agreement. The initial Capital Sharing Ratios of the Partners are as follows:

Developer Partner	1%
Limited Partner	99%

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"Transfer" means, with respect to a particular property, right or interest, the assignment, sale, transfer, pledge, disposition, hypothecation, mortgage, pledge or the grant of a lien or security interest in such right or interest (or any part thereof), whether voluntarily, involuntarily or by operation of law, and whether for consideration or no consideration.

ARTICLE 2

ORGANIZATIONAL MATTERS; PURPOSE; TERM

Section 2.1. Formation of Partnership. The Partnership has been organized as a Delaware limited partnership by filing the Certificate under the Act.

Section 2.2. Name. The name of the Partnership shall be Fairview Plaza Associates, LP, and all Partnership business must be conducted in that name or such other name as the General Partner and the Limited Partner approve.

Section 2.3. Registered Office; Registered Agent; Principal Office. The registered office and the registered agent of the Partnership shall be as specified in the Certificate or as designated by the General Partner with the Limited Partner's approval. The principal office of the Partnership shall be at c/o SKR Brentway, 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, or at such other location as the General Partner and the Limited Partner

approve.

Section 2.4. Foreign Qualification. Before the Partnership conducts business in any jurisdiction other than Delaware, the General Partner shall cause the Partnership to comply with all requirements necessary to qualify the Partnership as a foreign limited partnership in that jurisdiction. At the request of the General Partner, each Partner shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue, or terminate the Partnership as a foreign limited liability Partnership in all jurisdictions in which the Partnership may conduct business.

Section 2.5. Purpose and Scope; Actions Consistent with Certificate. The purposes and scope of the Partnership's activities are strictly limited to acquiring, maintaining, owning, leasing, and selling the Project; financing the foregoing activities; and performing all other activities reasonably necessary or incidental to the furtherance of such purposes. The Partnership shall not take any action inconsistent with the Certificate and, to the extent of any inconsistencies between this agreement and the provisions of the Certificate, provisions of the Certificate shall control. The Partnership shall conduct its

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business at all times so as to comply with the requirements of the Certificate. The provisions of this Section 2.5 are subject in all respects to the "special purpose entity" provisions of Article 12. In addition, the Partnership shall at all times conduct its business so as to comply with the provisions of Article 12 of this Agreement, notwithstanding any other provision in this Agreement to the contrary. The Partners acknowledge receipt of the documents evidencing and securing the Mortgage Loan and are aware of provisions in such documents providing for a default upon occurrence of, among other things, certain property transfers and transfers of interests in the Partnership; the incurrence of certain indebtedness; the creation of certain liens; and the liquidation or dissolution of the Partnership or the General Partner, in each case as more particularly set forth in the documents evidencing or securing the Mortgage Loan.

Section 2.6. Term. The Partnership shall commence on the effective date of the Certificate and shall terminate on May 31, 2037, unless sooner dissolved as herein provided.

ARTICLE 3

PARTNERSHIP; DISPOSITIONS OF INTERESTS

Section 3.1. Partners. The initial Partners of the Partnership are the Limited Partner and the Developer Partner, each of which is admitted to the Partnership as a Partner as of the date hereof.

Section 3.2. Dispositions of Partnership Interests.

(a) General Restriction. No Partner may Transfer all or any portion of its Partnership Interest, except with the consent of the other Partner or as permitted in Sections 3.2(b) or 3.2(c). Any attempted Transfer of all or any portion of a Partnership Interest, other than in strict accordance with this Section 3.2, shall be void. Except as permitted in Sections 3.2(b) or 3.2(c), a Person to whom a Partnership Interest is Transferred may be admitted to the Partnership as a Partner only with the consent of the other Partner, which may be given or withheld in the other Partner's sole and absolute discretion. In connection with any Transfer of a Partnership Interest or any portion thereof, and any admission of an assignee of a Partnership Interest as a Partner, the Partner making such Transfer and the assignee shall furnish the other Partner with such documents regarding the Transfer as the other Partner may reasonably request (in form and substance reasonably satisfactory to the other Partner), including a copy of the Transfer instrument, a ratification by the assignee of this Agreement (if the assignee is to be admitted as a Partner), a legal opinion that the Transfer complies with applicable federal and state securities laws, and a legal opinion that the Transfer will not result in the

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Partnership's termination under Section 708 of the Code. For purposes hereof, a Transfer shall be deemed to have occurred with respect to a Partner's Partnership Interest upon any Transfer of an interest in that Partner or in any entity which directly or indirectly controls such Partner.

(b) Permitted Transfers. The Developer Partner may assign all or a portion of its Partnership Interest (direct or indirect) with the consent of Limited Partner, such consent not to be unreasonably withheld, to any Affiliate of the Developer Partner (in which Developer Partner owns at least a 51% interest) or to an Affiliate of Cedar Income Fund Partnership, L.P. (in

which Cedar Income Fund Partnership, L.P., directly or indirectly, owns at least a 51% interest) and, at the election of the Developer Partner, upon any assignment that transferee shall be admitted as a Partner. Transfers of interests in the Developer Partner may also be made (without Limited Partner's consent) to Affiliates of Developer Partner or Cedar Income Fund Partnership, L.P. so long as not more than 49% of such interests, in the aggregate, are Transferred and Limited Partner receives prior written notice thereof. Transfers of interests in Cedar Income Fund Partnership, L.P. may be made at any time without Limited Partner's consent. The Limited Partner may Transfer its interests only with the written consent of Kimco Preferred Investor III, Inc., its successors and assigns.

Section 3.3. Creation of Additional Partnership Interests. Additional Partnership Interests may be created and issued to existing Partners or to other Persons, and such other Persons may be admitted to the Partnership as Partners, with the approval of the General Partner and the Limited Partner, on such terms and conditions as the General Partner and the Limited Partner may determine at the time of admission. The General Partner may reflect the admission of any new Partners or the creation of any new class or group of Partner in an amendment to this Agreement which shall be valid if executed by the General Partner and Limited Partner.

Section 3.4. Resignation; Redemption. A Partner may not resign or withdraw from the Partnership without the consent of the other Partners. A Partnership Interest may not be redeemed or purchased by the Partnership without the written consent of the Limited Partner.

Section 3.5. Information. In addition to the other rights specifically set forth in this Agreement, each Partner is entitled to the following information under the circumstances and conditions set forth in the Act: (a) true and full information regarding the status of the business and financial condition of the Partnership; (b) promptly after becoming available, a copy of the Partnership's federal, state and local income tax returns for each year; (c) a current list of the name and last known business, residence or mailing address of each Partner and General Partner; (d) a copy of this Agreement, the

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Partnership's certificate of formation, and all amendments to such documents; (e) true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner; and (f) other information regarding the affairs of the Partnership to which that Partner is entitled pursuant to Section 17-305 of the Act (including all Partnership books and records). Under no circumstances shall any information regarding the Partnership or its business be kept confidential from any Partner.

Section 3.6. Liability to Third Parties. No Partner shall be liable for the debts, obligations or liabilities of the Partnership.

ARTICLE 4

MANAGEMENT OF PARTNERSHIP

Section 4.1. Management.

(a) General Partner. The Developer Partner shall initially be the sole General Partner. The General Partner shall manage the affairs of the Partnership and make all decisions with regard thereto, except where (1) the Limited Partner's approval is required under this Agreement or (2) the approval of any of the Partners is expressly required by a non-waivable provision of applicable law. The Limited Partner shall have sole authority to enforce any agreement between the Partnership and the Developer Partner (or its Affiliates) and to make all determinations on behalf of the Partnership with respect thereto, which determinations shall be reasonably made.

(b) Actions Requiring Approval of the Limited Partner. Neither the General Partner nor the Partnership may take any action described below (the "Major Decisions") unless it has been approved in writing by the Limited Partner (and any such action taken without Limited Partner's written consent shall be null and void):

(1) Any sale, transfer, exchange, mortgage, financing, hypothecation or encumbrance (except as otherwise provided in this Agreement) of all or any part of the Project, or any lease of the entire Project; however, the General Partner may make incidental sales, exchanges, conveyances, or transfers of Partnership personalty or fixtures in the ordinary course of business if such transaction, together with all other such transactions in the calendar year in question, involves property having a value or sales price of less than \$25,000 in the aggregate. The Partners approve the assumption by the Partnership of the Mortgage Loan and the Partners approve the execution by the Partnership of any document necessary to evidence or secure the obligation of the Partnership to

assume, repay and secure the Mortgage Loan. Notwithstanding the foregoing, if the Developer Partner is the General Partner, no sale, transfer or exchange of the Project shall be permitted prior to and including December 31, 2007.

(2) Determination of major accounting policies of the Partnership, including selection of accounting methods and making various decisions regarding treatment and allocation of transactions for federal and state income, franchise or other tax purposes.

(3) Determination of the terms and conditions of all borrowings of the Partnership and the identity of the lender thereof; guaranty the debt of any other Person, or permit the Partnership to incur any debt or other obligations other than Approved Loans or trade payables with respect to the Project. The Limited Partner has approved the Mortgage Loan as a permitted borrowing of the Partnership. Notwithstanding the provisions of Sections 4.1(b)(1), 4.1(b)(3) and 4.1(b)(7), the General Partner may at any time, without the consent of the Limited Partner, cause the Partnership to refinance the Mortgage Loan or any other Approved Loan with an institutional lender on terms no less favorable than those in effect at the time of the refinance, so long as (a) Limited Partner receives notice of such refinancing at least thirty (30) days prior to closing and also receives copies of all loan document drafts prior to closing and (b) such refinancing does not require payment of any prepayment premium, yield maintenance fee or similar fee to the existing lender (which, when considered together with all other terms of such refinancing, would result in overall terms less favorable than those in effect at the time of such refinance).

(4) Making any expenditure or incurring any obligation by or for the Partnership in excess of 120% of the amount set forth therefor on an Operating Budget; however, if emergency repairs to the Project are necessary to avoid imminent danger of injury to the Project or to an individual, the General Partner may cause the Partnership to make such expenditures as may be necessary to alleviate such situation and shall promptly notify the Limited Partner in writing of the event giving rise to such repairs and the actions taken with respect thereto.

(5) Requiring Additional Capital Contributions.

(6) Approval of the execution of any lease of any part or all of the Project, the form of lease agreements, guidelines for minimum rental rates, minimum and maximum length of lease terms, brokerage commissions, credit standing of tenants, and approval of any lease amendments which extend the lease term by more than one year (unless the right to extend is set forth in the lease), reduce the rent or give a tenant additional rights or options; notwithstanding the foregoing, the Partnership shall be permitted (without the consent of Limited Partner) to execute leases and lease amendments that (i) meet

the Lease Parameters and (ii) are on a form of lease or lease amendment that has been approved by the Limited Partner. The Partnership may also execute lease amendments without the written consent of the Limited Partner if the lease amendment does not extend the lease term by more than one year.

(7) Approval of property manager, leasing agents, management agreements, construction contracts, and brokerage agreements for the Project; insurance coverages, the underwriters thereof and claims related thereto; zoning changes, reciprocal operating agreements, cross-easement agreements and similar agreements; annual Operating Budgets, including the amount of reserves for capital improvements, replacements and purchases, tenant improvements, and leasing commissions included in such Operating Budget; material modifications of any of the foregoing; and all matters relating to the Project's compliance with environmental, health, access, and other laws, if and to the extent that any of the foregoing agreements or actions to be entered into or taken by the Partnership shall be outside the ordinary course of business of the Partnership (unless approval of a particular matter is required by another express term of this Agreement), although General Partner shall provide Limited Partner with copies of any of the foregoing items before finalizing such items whether or not Limited Partner's approval is required; and provided further that all insurance coverages shall comply with insurance required by any Mortgage Loan and all liability policies shall name Limited Partner as an additional insured.

(8) Using or referencing in any way the name of, or any affiliation with, the Kimco Realty Corporation or any of its Affiliates in any advertising.

(9) Taking of any legal action (including the filing of any bankruptcy or insolvency proceeding by or on behalf of the Partnership), except approval of the Partnership initiating action to collect rentals and

other amounts payable to the Partnership under leases and other occupancy agreements affecting the Project and evicting tenants and terminating the leases of tenants who are in default under their leases and defending against tenant claims and liability claims for which the Partnership maintains insurance (except that the Partnership may not terminate any lease of a tenant who is not in default under its lease without the Limited Partner's written consent).

(10) Filing of any petition or consenting to the filing of any petition that would subject the Partnership to a Bankruptcy.

(11) Entering into any agreement with the Developer Partner or an Affiliate of the Developer Partner.

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(12) Merging or consolidating the Partnership, with or into any Person, or dissolving, terminating or liquidating the Partnership.

(13) Amend or terminate the Certificates.

(14) Permit the Partnership to enter into any leases (or amendments of leases) of the Project or undertake any other activity if the rent from Project leases would (assuming the Limited Partner were the sole owner of the Project) fail to qualify as "rents from real property" (as such term is defined in ss. 856 of the Code) or would subject Limited Partner or Kimco Realty Corporation to taxes under sections 857 or 4981 of the Code. For example, a "percentage rent" or other provision in a lease providing for payment of a portion of rent based on the income or profits of a tenant, unless such clause is based on a fixed percentage or percentages of gross receipts or gross sales, would be prohibited unless consented to by the Limited Partner. (Such a percentage rent clause may be based upon gross receipts or sales in excess of a fixed dollar amount, but only if (i) the fixed dollar amount does not depend in whole or in part on the income or profits of the tenant, and (ii) the percentage and the fixed amount must be fixed at the time the lease is executed and may not be renegotiated during the term of the lease).

(15) Permit the Partnership to approve a sublease of the Project having any percentage rent clauses, other than percentage rent clauses complying with the immediately preceding subparagraph 14.

(16) Engage directly in construction activities without using an independent contractor or independent subcontractors (for example, construction of tenant improvements) without the written consent of the Limited Partner, unless the costs of such construction activities are within the Approved Budget or are otherwise approved by the Limited Partner.

(17) Permit the Partnership to increase, modify, consolidate, prepay, or extend any Approved Loan. Notwithstanding the provisions of Sections 4.1(b)(1), 4.1(b)(3) and 4.1(b)(7), the General Partner may at any time, without the consent of the Limited Partner, cause the Partnership to refinance the Mortgage Loan or any other Approved Loan with an institutional lender on terms no less favorable than those in effect at the time of the refinance, so long as (a) Limited Partner receives notice of such refinancing at least thirty (30) days prior to closing and also receives copies of all loan document drafts prior to closing and (b) such refinancing does not require payment of any prepayment premium, yield maintenance fee or similar fee to the existing lender (which, when considered together with all other terms of such refinancing, would result in overall terms less favorable than those in effect at the time of such refinance).

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(18) Make any loans to the Partnership, any Partner, any Affiliate of a Partner, or any other party.

(19) Cause the Partnership to make any distribution of property in kind to any Partner.

(20) Change the nature of the business conducted by the Partnership.

(21) Take any action inconsistent with the Certificate.

(c) Obligations of the General Partner. The General Partner shall discharge its duties in a good and proper manner as provided for in this Agreement. The General Partner, on behalf of the Partnership, shall in good faith use all reasonable efforts to implement all Major Decisions approved by the Limited Partner, enforce agreements entered into by the Partnership, and conduct the ordinary business and affairs of the Partnership in accordance with good industry practice and this Agreement. The General Partner shall not

delegate any of its rights or powers to manage and control the business and affairs of the Partnership without the prior written consent of the Limited Partner.

(d) Operating Budgets. The Partnership shall operate under an annual Operating Budget, draft of which shall be prepared and submitted by the General Partner to the Limited Partner for approval. After a draft annual Operating Budget has been approved, the General Partner shall use diligent good faith efforts to implement the Operating Budget on behalf of the Partnership and may cause the Partnership to incur the expenditures and obligations therein provided. Within 45 days after the date hereof the General Partner shall prepare and submit to the Limited Partner for approval a proposed Operating Budget for the period beginning with the anticipated acquisition date of the Project and ending on December 31, 2002. If an Operating Budget is not approved by the Limited Partner by the acquisition date of the Project, the General Partner may incur commercially reasonable expenses to operate the Project; however, no expenditures shall be made for capital items, to Affiliates of the Developer Partner (other than payment of the Management Fee in accordance with the Property Management Agreement), or in excess of \$10,000 without the approval of the Limited Partner. Thereafter, the General Partner shall deliver to the Limited Partner for approval a proposed Operating Budget for each calendar year by November 1 of the preceding calendar year. Provided that the Limited Partner receives the proposed Operating Budget for each calendar year by November 1 of the preceding calendar year, together with all supporting information necessary for the Limited Partner to review the Operating Budget, the Limited Partner will approve, reject, or provide changes to the Operating Budget by December 15 of the year in which the proposed Operating Budget was submitted to the Limited

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Partner. If an Operating Budget for any calendar year has not been approved by January 1 of that year, the Partnership shall continue to operate under the Operating Budget for the previous year with such adjustments as may be necessary to reflect deletion of non-recurring expense items set forth on the previous Operating Budget and increased insurance costs, taxes, utility costs, and debt service payments; however, no payments or reimbursements to the Developer Partner or any of its Affiliates (other than payment of the management fee in accordance with the previous Operating Budget and reimbursements to the Property General Partner for out-of-pocket expenses incurred in connection with the Project and in accordance with the previous Operating Budget) nor capital expenditures (other than deposits into the Capital Reserve) shall be made by the Partnership for that year until an Operating Budget for such year is approved, unless the Limited Partner specifically consents thereto in writing. Notwithstanding anything to the contrary set forth in Section 4.1(d), although the General Partner shall be required to submit an annual Operating Budget to the Limited Partner, the General Partner shall only be required to obtain the Limited Partner's consent to or approval of such Operating Budget if required under the definition of "Operating Budget".

(e) Limited Partner. Whenever this Agreement requires the consent or approval of the Limited Partner or the Partners to a certain matter, the consent or approval of the Limited Partner shall not be effective without the consent of the then general partner of the Limited Partner and of Kimco Preferred Investor III, Inc. (a limited partner of the Limited Partner), its successors and assigns. Whenever the Limited Partner is given the right to take any action pursuant to this Agreement, such action must be approved by Kimco Preferred Investor III, Inc., its successors and assigns.

Section 4.2. Meetings of Partners.

(a) Regular Meetings. The Partners shall hold annual meetings after the General Partner submits an Operating Budget to the Limited Partner for its review, to discuss the Project, and to discuss such other matters regarding Partnership business as the Partners may elect. Any such meeting may be held by phone with the written consent of the Limited Partner.

(b) Special Meetings. Special meetings of the Partners may be called by the General Partner or by the Limited Partner at any time by delivering at least two-business days' prior notice thereof to the other Partner to discuss such matters regarding Partnership business as the Partners may elect. Any such meeting may be held by phone with the written consent of the Limited Partner.

(c) Procedure. Each Partnership meeting shall be held at the principal place of business of the Partnership, unless the Partners otherwise

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agree. Attendance of a Person at a meeting shall constitute a waiver of notice of such meeting, unless such Person attends the meeting for the purpose of objecting to the transaction of any business on the ground that the meeting is

not lawfully called or convened. A Person may vote at such meeting by written proxy executed by that Person and delivered to a General Partner or Partner. A proxy shall be revocable unless it is stated to be irrevocable. Any action required or permitted to be taken at such meeting may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the General Partner and the Partners that would be necessary to take the action at a meeting at which all Partners were present and voted. Any meeting may take place by means of telephone conference, video conference, or similar communication equipment by means of which all Persons participating therein can hear each other.

Section 4.3. Intentionally Omitted.

Section 4.4. Removal of General Partner. The General Partner may be removed by the Limited Partner as provided herein under the following circumstances (each, which is not cured by the Developer Partner within the period set forth herein, a "Removal Event"):

(a) A Transfer in violation of Section 3.2(a) occurs, or Developer Partner (1) commits a criminal act (which has an adverse effect on the Partnership or the Limited Partner), (2) misapplies any funds derived from the Project, including security deposits, insurance proceeds or condemnation awards, which action has an adverse effect on the Partnership or the Limited Partner; (3) commits fraud, misrepresentation, gross negligence or willful misconduct (which has an adverse effect on the Partnership or the Limited Partner); (4) fails to maintain insurance as required by this Agreement or to pay or provide for payment of any taxes or assessments affecting the Project provided that funds are available to the Partnership with which to do so (which has an adverse effect on the Partnership or the Limited Partner); or (5) intentionally damages or destroys the Project, or any part thereof not covered by insurance.

(b) Failure of the Developer Partner to make Additional Capital Contributions so that the outstanding aggregate amount of all unpaid Additional Capital Contributions of the Developer Partner exceed \$50,000.

(c) Bankruptcy of the Partnership.

(d) The liquidation or dissolution of the General Partner.

(e) Bankruptcy of the General Partner (a "Bankruptcy Removal Event").

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(f) The occurrence of a material default by an Affiliate of the Developer Partner under any management or other service contract between the Partnership and an Affiliate of the Developer Partner and the General Partner's failure within thirty (30) days of the giving of notice thereof by the Limited Partner to the Developer Partner to cause such contract to be terminated and replaced with a contract with a non-affiliated third party.

(g) A Major Decision is made or taken without Limited Partner's written consent (and, in the case of Major Decisions specified in clauses (2), (4), (6), (7), (9) or (16) taken without Limited Partner's written consent, there is an adverse effect to either the Partnership or Limited Partner as a result of the action so taken).

(h) The Partnership fails to make a distribution to Limited Partner as and when required pursuant to Sections 8.1 or 8.2.

(i) The material breach by Developer Partner of a covenant set forth in this Agreement, the breach of which is not otherwise specified in this Section 4.4.

(j) A default (beyond expiration of any applicable grace or notice period) shall occur under either the Guaranty or the Security Agreement.

(k) A Removal Event (as defined in the Fairport Partnership Agreement) shall occur and be continuing.

If Limited Partner shall have reasonably determined that a Removal Event has occurred, Limited Partner shall give written notice thereof to Developer Partner together with a detailed specification of the claimed Removal Event and the circumstances thereof. If such Removal Event shall be reasonably susceptible of cure, Developer Partner shall have the right to cure such Removal Event within the thirty (30) day period following receipt of notice thereof from the Limited Partner. Notwithstanding anything in this paragraph to the contrary, however, (i) no cure rights shall be available with respect to Removal Events specified in Sections 4.4(a)(1), (2), (3) and (5) and Sections 4.4(c), (e) or (k) and (ii) if the notice is given by Preferred Member with respect to a Removal Event specified in Section 4.4(a)(4) or 4.4(h) the cure period shall be 5 business days. If Developer Partner shall fail to cure such Removal Event

within such thirty (30) day period, then, subject to the rights of Developer Partner and Limited Partner to cause such matter to be submitted to arbitration, the Limited Partner may remove Developer Partner as the General Partner, in which event (i) the Limited Partner may appoint itself or an Affiliate of the Limited Partner, or a third party, as General Partner. If the Removal Event arises because of an event specified in Sections 4.4 (a) (1), (2), (3) or (5),

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4.4(g) (which has an adverse effect on the Partnership or Limited Partner), or 4.4(h) of this Agreement or the Fairport Partnership Agreement, the Limited Partner may at any time elect (by written notice to the Developer Partner) to purchase the Partnership Interest of the Developer Partner for a purchase price equal to the difference between (A) the lesser of (i) an amount which the Developer Partner would receive if the Project were sold for its fair market value (less Imputed Closing Costs), or (ii) the unreturned Capital Contributions of the Developer Partner, less (B) all damages and costs incurred by the Partnership in connection with such Removal Event.

The fair market value of the Project shall be determined by the Limited Partner and the Developer Partner (or its representative) within 30 days after the Limited Partner elects to purchase such Partnership Interest. If such Persons are unable to agree on the fair market value of the Project, the Limited Partner, by notice to the Developer Partner (or its representative), may require the determination of the fair market value to be made by an independent appraiser specified in that notice. If the Person receiving that notice objects to the independent appraiser designated therein within ten days after it receives such notice and the Limited Partner and such Person fail to agree on an independent appraiser, then either may request that the New York City, New York office of the American Arbitration Association (the "AAA") designate an independent appraiser, in which case the selection of the appraiser by the AAA shall be binding on the parties. The determination of the selected appraiser shall be final and binding on all parties. The Partnership shall pay the cost of the appraisal. The closing of such transaction shall occur within 30 days after the purchase price for the Partnership Interest in question is finally determined.

If Limited Partner desires to remove Developer Partner as the General Partner because a Removal Event (other than a Removal Event specified in Section 4.4(k)) has occurred, then either the Developer Partner or the Limited Partner shall have the right to require (by written notice to the other Partner) that the issue of whether or not a Removal Event has occurred be submitted to binding arbitration. The sole parties to such arbitration shall be the Developer Partner and Limited Partner. The sole issues to be submitted to and determined by such arbitration is whether or not a Removal Event has occurred, or, if a Removal Event has occurred, whether mitigating factors exist sufficient to allow Developer Partner to remain as the General Partner notwithstanding the occurrence of such Removal Event (and in the case of any election by the Limited Partner to purchase the Developer Partner's Partnership Interest (if applicable), whether mitigating factors exist sufficient to deny the Limited Partner the right to exercise such election). The arbitration shall be handled in the following manner:

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(i) The matter shall be submitted to binding arbitration in New York City, New York in accordance with the rules of the AAA then in effect, except as otherwise set forth in this Agreement. A single arbitrator (not affiliated with any firm or organization providing services to either party or their Affiliates) shall be selected.

(ii) Each party shall have the right to take limited discovery, which shall in all event be completed within 60 days of the date arbitration has been requested by either party, unless the other party shall fail to cooperate in the taking of such discovery.

(iii) The matter shall be decided based on briefs and affidavits submitted to the arbitrator, and without any testimony of live witnesses, unless the arbitrator desires in its sole discretion to have a hearing with witnesses.

(iv) The decision of the arbitrator shall be final and non-appealable.

(v) Each party shall pay (x) its own attorneys' fees and costs in submitting the matter to arbitration and (y) 50% of the fees of the arbitrator. The losing party shall reimburse the prevailing party for any AAA filing fees paid by the prevailing party and any arbitration order shall so state the foregoing.

(vi) If the arbitrator decides that a Removal Event

has occurred without mitigating factors, the arbitrator shall enter an order (x) declaring that a Removal Event has occurred, and (y) with the prevailing party's consent, declaring that the Developer Partner shall cease to be the General Partner of the Partnership and Limited Partner (or its designee) shall be the new managing Partner. The arbitrator shall have the power to order injunctive relief consistent with the foregoing.

(vii) The arbitrator shall not have any power to enter any damage award except as specified in subsection (e) above.

Even if the parties elect to proceed to arbitration concerning whether or not a Removal Event has occurred, either Partner shall be permitted to pursue other remedies (at law or equity) permitted by this Agreement for breach by the other Partner of its obligations hereunder.

If the Developer Partner is ever removed as the General Partner, the Developer Partner shall have all rights of a limited partner specified in the Act.

Section 4.5. Reimbursement of Expenses. Each Partner shall be reimbursed for all out-of-pocket expenses actually incurred by it directly in conjunction with the business and affairs of the Partnership (including travel

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costs, telephone costs, and similar expenses, but excluding any salary expenses, employee expenses, and administrative expenses even if such excluded expenses are incurred in connection with (or allocable to) Partnership business), to the extent set forth on an Operating Budget or as otherwise approved in writing by the Limited Partner. Upon request, the General Partner shall provide reasonable supporting verification to the other Partners for all expenditures for which any reimbursement is requested. The General Partner shall at all times maintain insurance in amounts required by the Mortgage Loan provided that there are funds available to the Partnership with which to do so and if there are no such funds to do so General Partner shall give immediate written notice to Limited Partner (but if the cost thereof exceeds by more than 10% the budgeted amount therefor in an Operating Budget, the Developer Partner shall notify Limited Partner in writing before paying the cost thereof).

Section 4.6. Compensation of General Partner. Except for expense reimbursements set forth in Section 4.5, no compensatory payment shall be made by the Partnership to the General Partner or any Partner for the services to the Partnership of such General Partner, Partner or any Partner or employee of such Partner.

Section 4.7. Transactions with Affiliates.

(a) General. When any service or activity to be performed on behalf of the Partnership is performed by an Affiliate of a Partner, the fee payable for such service or activity shall not exceed the fee which would be payable by the Partnership to an unaffiliated third party of comparable standing providing the same services.

(b) Termination of Agreements with Affiliates. If the Developer Partner is removed as General Partner as a result of the occurrence of a Removal Event, then the Partnership may terminate all agreements with Developer Partner's Affiliates without penalty or fee, and all such agreements must contain a provision that allows for the exercise of the right of termination under this Section 4.7(b). The Limited Partner may enforce this provision on behalf of the Partnership.

Section 4.8. Property Management Agreement. The Partnership is contemporaneously entering into a Property Management Agreement ("Management Agreement") with Brentway Management LLC ("Property Manager"), an Affiliate of the Developer Partner, under which Property Manager shall manage and lease the Project. The Management Agreement will provide that Property Manager shall be paid fees more particularly set forth in the Management Agreement. The General Partner or an Affiliate shall also be entitled to a fee on a sale or refinancing equal to .75% of the sale price or refinance amount, as the case may be, subject

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to a total cap on fees to third parties and the General Partner or its Affiliate of 1.5% (for example, if an outside broker's fee is 1.5%, no fee shall be payable to the General Partner or its Affiliate).

Section 4.9. Indemnification; Reimbursement of Expenses; Insurance. To the fullest extent permitted by the Act: the Partnership shall hold harmless, indemnify and defend the General Partner from all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including the reasonable fees

and actual expenses of the General Partner's counsel, which arise, result from or relate to any threatened, pending or completed action, suit or proceeding ("Proceeding"), relating to the ownership or operation of the Project or the business of the Partnership (other than claims and liabilities excluded below), including, without limitation, expenses incurred by the General Partner (1) in advance of the final disposition of any Proceeding to which such General Partner was, is or is threatened to be made a party, and (2) in connection with its as a witness or other participation in any Proceeding. The foregoing indemnity shall also extend to any Affiliate of the General Partner (including Cedar Income Fund Partnership, L.P. and Cedar Income Fund Ltd.) which may execute an environmental indemnity in favor of the holder of the Mortgage Loan such that such Affiliate shall be reimbursed by the Partnership (prior to distributions to Partners) for any amount paid on account of such environmental indemnity. The foregoing indemnity shall also extend to any brokerage commissions or finder's fees claimed by any broker or other party against the General Partner in connection with the Project, or any of the transactions contemplated by this Agreement. The Partnership shall indemnify and advance expenses to an Officer, employee or agent of the Partnership to the same extent and subject to the same conditions under which it may indemnify and advance expenses to General Partners under the preceding sentence. The provisions of this Section 4.9 shall not be exclusive of any other right under any law, provision of the Certificate or this Agreement, or otherwise. Notwithstanding the foregoing, this indemnity shall not apply to actions constituting gross negligence, willful misconduct or bad faith, or involving a breach of this Agreement, but shall apply to actions constituting simple negligence. The Partnership may purchase and maintain insurance to protect itself and any General Partner, officer, employee or agent of the Partnership, whether or not the Partnership would have the power to indemnify such Person under this Section 4.9. This indemnification obligation shall be limited to the assets of Partnership and no Partner shall be required to make a Capital Contribution in respect thereof.

Section 4.10. Other Business Activities. Subject to the other express provisions of this Agreement, each Partner, General Partner, Officer or Affiliate thereof may engage in and possess interests in other business ventures of any and every type and description, independently or with others, including

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ones in direct or indirect competition with the Partnership, with no obligation to offer to the Partnership or any other Partner, General Partner or Officer the right to participate therein or to account therefor. The Partnership may transact business with any Partner, General Partner, Officer or Affiliate thereof, subject to the approval rights of the Limited Partner described herein, provided the terms of those transactions are no less favorable than those the Partnership could obtain from unrelated third parties. Each Partner and its Affiliates has numerous ownership interests in other real estate projects and neither Partner shall be required to offer any business opportunity or interest to the Partnership.

Section 4.11. Indemnification of Limited Partner. The Partnership shall indemnify, defend and hold Limited Partner harmless from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including the reasonable fees and actual expenses of Limited Partner's counsel, arising in connection with (1) any investigative, administrative, mediation, arbitration, or judicial proceeding, commenced or threatened at any time against Limited Partner (whether or not the Partnership is a party thereto), in any way related to the execution, delivery or performance of this Agreement or to the Project, and (2) any proceeding instituted by the seller of the Project against Limited Partner (whether or not the Partnership is a party thereto), and (3) any brokerage commissions or finder's fees claimed by any broker or other party against Partnership or Limited Partner in connection with the Project, or any of the transactions contemplated by this Agreement. Limited Partner shall not be entitled to indemnification to the extent any of the foregoing are caused solely by the Limited Partner's gross negligence or willful misconduct. This indemnification obligation shall be limited to the assets of Partnership and no Partner shall be required to make a Capital Contribution in respect thereof.

ARTICLE 5

ACCOUNTING AND REPORTING

Section 5.1. Fiscal Year, Accounts, Reports.

(a) The fiscal year of the Partnership shall be the calendar year.

(b) The books of account of the Partnership shall be kept and maintained (at Partnership expense) by the General Partner on an accrual basis in accordance with GAAP. The Partnership shall report its operations for tax purposes on an accrual basis. The General Partner shall prepare a reconciliation of such books and records to cash receipts and disbursements. The books of

account shall be kept at the principal place of business of the Partnership, and shall at all times be available for inspection by the Partners. All distributions of Net Cash Flow and Capital Proceeds shall be accompanied by income statements prepared by the General Partner setting forth in detail the calculation of the amount of each such distribution.

(c) The General Partner shall, at Partnership expense, furnish to the Partners (1) on or before the 30th day after the end of each calendar quarter, an unaudited statement setting forth and describing in reasonable detail the receipts and expenditures of the Partnership during the preceding month and comparing the results of operations of the Partnership for such month and for the year to date to the appropriate Operating Budget, (2) on or before 90 days after the end of each fiscal year, a balance sheet of the Partnership dated as of the end of such fiscal year, a statement of the Partners' Capital Accounts, a statement of Net Cash Flow, and a statement setting forth the Profits and Losses for such fiscal year, audited by an independent firm of certified public accountants as selected by the General Partner and approved by the Limited Partner (the Limited Partner hereby approves Ernst & Young, LLP as the initial certified public accounting firm for the Partnership), and unaudited statements of the foregoing for the prior calendar year shall be sent to the Partners within 60 days following the end of each calendar year, and (3) from time to time, all other information relating to the Partnership and the business and affairs of each, reasonably requested by any Partner.

(d) Each Partner, at its expense, may at all reasonable times during usual business hours audit, examine, and make copies of or extracts from the books of account records, files, and bank statements of the Partnership. Such right may be exercised by any Partner, or by its designated agents or employees.

Section 5.2. Bank Accounts. The General Partner shall open and maintain (in the name of the Partnership) a special bank account or accounts in a bank or savings and loan association, the deposits of which are insured, up to the applicable limits, by an agency of the United States government, in which shall be deposited all funds of the Partnership.

Section 5.3. Financial Accounting Matters . The method by which the financial statements of the Partnership shall be prepared (including the allocation of all revenues and expenses, including depreciation, to the respective Partner's Capital Accounts) shall be such reasonable method as is employed by the General Partner for other properties of which it shall be the owner or the general partner or managing Partner thereof.

ARTICLE 6

CAPITAL CONTRIBUTIONS

Section 6.1. Initial Capital Contributions. (a) The Developer Partner has contributed cash of \$_____ to the Partnership on the date hereof which shall constitute the Developer Partner's initial Capital Contribution.

The Limited Partner has contributed cash of \$_____ to the Partnership on the date hereof which shall constitute the Limited Partner's initial Capital Contribution.

Section 6.2. Additional Capital Contributions. After the initial Capital Contributions have been made, each Member shall make Capital Contributions to the Partnership in proportion to their respective Capital Sharing Ratios as may be approved by the General Partner and the Limited Partner for the conduct of the Partnership's business, maintenance of its assets, and discharge of its liabilities. Each additional contribution made under this Section 6.2 is an "Additional Capital Contribution".

Section 6.3. Return of Contributions. Except as expressly provided herein, no Partner shall be entitled to (a) the return of any part of its Capital Contributions, (b) any interest in respect of any Capital Contribution, or (c) the fair market value of its Partnership Interest in connection with a withdrawal from the Partnership or otherwise. Unrepaid Capital Contributions shall not be a liability of the Partnership or of any Partner. No Partner shall be required to contribute or lend any cash or property to the Partnership to enable the Partnership to return any Partner's Capital Contributions to the Partnership.

Section 6.4. Partner Loans. If the Partnership shall have insufficient cash to pay its obligations, any Partner, with the approval of the Limited Partner and the General Partner, may advance such funds for the Partnership on such terms and conditions as the lending Partner, the Limited Partner, and the General Partner may determine. Each such advance shall constitute a loan from

such Partner to the Partnership and shall not constitute a Capital Contribution.

Section 6.5. Balances. The Partnership's books and records shall contain entries indicating the type and amount of Capital Contributions made to the Partnership.

ARTICLE 7

THIRD PARTY FINANCING

Section 7.1. Initial Financing. The Partnership approves borrowing pursuant to the Mortgage Loan. The Mortgage Loan is secured by a first-priority mortgage lien on the Project. General Partner shall deliver (or cause to be

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delivered to Limited Partner) to the Limited Partner all notices, correspondence, and information delivered by the holder (or servicer) of the Mortgage Loan to the Partnership.

ARTICLE 8

DISTRIBUTIONS

Section 8.1. Distribution of Net Cash Flow. The Net Cash Flow for each calendar quarter shall be distributed to the Partners on or before the 10th day following the end of each calendar quarter as follows: 1% to the Developer Partner and 99% to the Limited Partner.

Section 8.2. Distribution of Capital Proceeds. Capital Proceeds of the Partnership shall be distributed to the Partners within 10 days following receipt by the Partnership of such Capital Proceeds as follows: 1% to the Developer Partner and 99% to the Limited Partner.

Section 8.3. Statements. All distributions of Net Cash Flow and Capital Proceeds shall be accompanied by income statements setting forth in detail the calculation of the amount of each such distribution.

ARTICLE 9

CAPITAL ACCOUNTS, ALLOCATIONS, AND TAX MATTERS

Section 9.1. Capital Accounts.

(a) Establishment and Maintenance. A separate capital account ("Capital Account") will be maintained for each Partner in accordance with Regulations 1.704-1(b)(iv). The General Partner shall establish and maintain a single Capital Account for each Partner which reflects each Partner's Capital Contributions to the Partnership. Each Capital Account shall also reflect the allocations and distributions made pursuant to Article 8 and otherwise be adjusted in accordance with Code Section 704 and the principles set forth in Treasury Regulations Sections 1.704-1(b) and 1.704-2. In applying such principles, any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 704(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) shall be allocated among the Partners in proportion to their respective Sharing Ratios. The Partners intend that the Partnership be treated as a partnership for tax purposes.

The Capital Accounts will be adjusted as follows:

(1) Each Partner's Capital Account will be credited with the Partner's Capital Contributions, the Partner's distributive share of

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Profits, any items in the nature of income or gain that are specially allocated to the Partner under Sections 9.4(c), 9.4(d), or 9.4(e), and the amount of any Partnership liabilities that are assumed by the Partner or secured by any Partnership property distributed to the Partner.

(2) Each Partner's Capital Account will be debited with the amount of cash and the Gross Asset Value of any Partnership property distributed to the Partner under any provision of this Agreement, the Partner's distributive share of Losses, any items in the nature of deduction or loss that are specially allocated to the Partner under Sections 9.4(c), 9.4(d) or 9.4(e), and the amount of any liabilities of the Partner assumed by the Partnership or which are secured by any property contributed by the Partner to the Partnership.

(b) Initial Capital Accounts. The initial Capital Account

balance of each Partner equals the amount of cash contributed by each Partner as its Initial Capital Contribution, which balances have been determined in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(f).

(c) Transfer. If any interest in the Partnership is transferred in accordance with the terms of this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(d) Modifications by General Partner. The provisions of this Section 9.2 and the other provisions of this Agreement relating to the maintenance of Capital Accounts have been included in this Agreement to comply with Section 704(b) of the Code and the Regulations promulgated thereunder and will be interpreted and applied in a manner consistent with those provisions and the Regulations. The General Partner may, with the consent of the Limited Partner, modify the manner in which the Capital Accounts are maintained under this Section 9.2 to comply with those provisions and the Regulations, as well as upon the occurrence of events that might otherwise cause this Agreement not to comply with those provisions and the Regulations; however, without the unanimous consent of all Partners, the General Partner may not make any modification to the way Capital Accounts are maintained if such modification would have the effect of changing the amount of distributions to which any Partner would be entitled during the operation, or upon the liquidation, of the Partnership.

Section 9.2. Adjustment of Gross Asset Value. "Gross Asset Value", with respect to any asset, is the adjusted basis of that asset for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed (or deemed contributed under Regulations Section 1-708-1(b)(1)(iv) by a Partner to the Partnership will be the fair market value of the asset on the date of the contribution, as determined by the General Partner and the Limited Partner.

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(b) The Gross Asset Values of all assets will be adjusted to equal the respective fair market values of the assets, as determined by the General Partner and the Limited Partner, as of (1) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis capital contribution, (2) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership if an adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership, and (3) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g).

(c) The Gross Asset Value of any asset distributed to any Partner will be the gross fair market value of the asset on the date of distribution as approved by General Partner and Limited Partner.

(d) The Gross Asset Values of assets will be increased or decreased to reflect any adjustment to the adjusted basis of the assets under Code Section 734(b) or 743(b), but only to the extent that the adjustment is taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m), provided that Gross Asset Values will not be adjusted under this Section 9.2 to the extent that the General Partner determines that an adjustment under Section 9.2(b) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment under this Section 9.2(d).

(e) After the Gross Asset Value of any asset has been determined or adjusted under Section 9.2(a), 9.2(b) or 9.2(d), Gross Asset Value will be adjusted by the Depreciation taken into account with respect to the asset for purposes of computing Profits or Losses.

Section 9.3. Profits, Losses and Distributive Shares of Tax Items.

(a) Profits (other than from Capital Transactions). Except as otherwise provided in Sections 9.3(d), 9.3(e) and 9.3(f), and except as otherwise provided in Article 10 (relating to allocation of Profits upon dissolution), Profits for any taxable year (other than those arising from a Capital Transaction) shall be allocated to the Partners in accordance with their respective Sharing Ratios.

(1) (b) Profits (from Capital Transactions). Except as otherwise provided in Sections 9.3(c), 9.3(d), 9.3(e) and 9.3(f), and except as otherwise provided in Article 10 (relating to allocation of Profits upon dissolution),

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Profits for any taxable year arising from a Capital Transaction shall be allocated to the Partners in accordance with their respective Sharing Ratios.

(c) Losses. Except as otherwise provided in Sections 9.3(d), 9.3(e), and 9.3(f), Losses for any taxable year shall be allocated in the following manner:

(1) First, to the Partners in proportion to their respective adjusted Capital Account balances, but not in excess of the adjusted Capital Account balance of each such Partner before the allocation provided for in this Section 9.3(c) (1); and

(2) thereafter, to the Partners with positive Capital Account balances (in proportion to such balances) to the extent further allocations of Losses to a Partner under this Section 9.3(c) would cause such Partner to have an Adjusted Capital Account Deficit.

(d) Special Allocations. The following special allocations will be made in the following order and priority before allocations of Profits and Losses:

(1) Partnership Minimum Gain Chargeback. If there is a net decrease in Partnership Minimum Gain during any taxable year or other period for which allocations are made, before any other allocation under this Agreement, each Partner will be specially allocated items of Partnership income and gain for that period (and, if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain during such year determined in accordance with Regulations Section 1.704-2(g) (2). The items to be allocated will be determined in accordance with Regulations Sections 1.704(2) (f) (6) and 1.704-2(j) (2). This Section 9.3(d) (1) is intended to comply with the Partnership Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

(2) Partner Nonrecourse Debt Minimum Gain Chargeback. Notwithstanding any other provision of this Section 9.3 (other than Section 9.3(d) (1) which shall be applied first), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain with respect to a Partner Nonrecourse Debt during any taxable year or other period for which allocations are made, any Partner with a share of such Partner Nonrecourse Debt Minimum Gain (determined under Regulations Section 1.704-2(i) (5)) as of the beginning of the year will be specially allocated items of Partnership income and gain for that period (and, if necessary, subsequent periods) in an amount equal to such Partner's share of the net decrease in the Partner Nonrecourse Debt Minimum Gain during such year

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determined in accordance with Regulations Section 1.704-2(i) (4). The items to be so allocated will be determined in accordance with Regulations Sections 1.704-2(i) (4) and 1.704-2(j) (2). This Section 9.3(d) (2) is intended to comply with the Partner Nonrecourse Debt Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

(3) Qualified Income Offset. A Partner who unexpectedly receives any adjustment, allocation or distribution described in Regulations Sections 1.704-1(b) (2) (ii) (d) (4), (5) or (6) will be specially allocated items of Partnership income and gain in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Partner as quickly as possible.

(4) Nonrecourse Deductions. Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated among the Partners in proportion to their respective Sharing Ratios.

(5) Partner Nonrecourse Deductions. Notwithstanding anything to the contrary in this Agreement, any Partner Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which the Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i).

(6) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts under Regulations Section 1.704-1(b) (2) (iv) (m), the amount of the adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis), and the gain or loss will be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted under Regulations Section 1.704-1(b) (2) (iv) (m).

(e) Curative Allocations. The allocations set forth in Section 9.3(d) (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. The Regulatory Allocations may effect results which would be inconsistent with the manner in which the Partners intend to divide Partnership distributions. Accordingly, the General Partner is authorized to divide other allocations of Profits, Losses, and other items among the Partners, to the extent that they exist, so that the net amount of the Regulatory Allocations and the special allocations to each Partner is zero. The General Partner will have discretion to accomplish this result in any reasonable manner that is consistent with Code Section 704 and the related Regulations.

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(f) Tax Allocations--Code Section 704(c). For federal, state and local income tax purposes, Partnership income, gain, loss, deduction or expense (or any item thereof) for each fiscal year shall be allocated to and among the Partners to reflect the allocations made pursuant to the provisions of this Section 9.3 for such fiscal year. In accordance with Code Section 704(c) and the related Regulations, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership, solely for tax purposes, will be allocated among the Partners so as to take account of any variation between the adjusted basis to the Partnership of the property for federal income tax purposes and the initial Gross Asset Value of the property (computed in accordance with Section 9.2). If the Gross Asset Value of any Partnership asset is adjusted under Section 9.2(b), subsequent allocations of income, gain, loss and deduction with respect to that asset will take account of any variation between the adjusted basis of the asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the related Regulations. Any elections or other decisions relating to allocations under this Section 9.3(f) will be made in any manner that the General Partner determines reasonably reflects the purpose and intention of this Agreement as consented to by the Partners. Allocations under this Section 9.3(f) are solely for purposes of federal, state and local taxes and will not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses or other items or distributions under any provision of this Agreement.

(g) Reporting. Partners shall be bound by the provisions of this Section 9.3(g) in reporting their shares of Partnership income and loss for income tax purposes.

Section 9.4. Tax Returns. The General Partner shall cause to be prepared and filed (but no filing shall be made until the Limited Partner has approved in writing such tax returns) all necessary federal and state income tax returns for the Partnership, including making the elections described in Section 9.5. Each Partner shall furnish to the General Partner all pertinent information in its possession relating to Partnership operations that is necessary to enable such income tax returns to be prepared and filed.

Section 9.5. Tax Elections. The following elections shall be made on the appropriate returns of the Partnership:

(a) to adopt the calendar year as the Partnership's fiscal year;

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(b) to adopt the accrual method of accounting and to keep the Partnership's books and records on the accrual method;

(c) if there is a distribution of Partnership property as described in section 734 of the Code or if there is a transfer of a Partnership interest as described in section 743 of the Code, upon written request of any Partner, to elect, pursuant to section 754 of the Code, to adjust the basis of Partnership properties; and

(d) to elect to amortize the organizational expenses of the Partnership ratably over a period of 60 months as permitted by section 709(b) of the Code.

No election shall be made by the Partnership or any Partner to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state laws.

Section 9.6. Tax Matters Partner. The Partner serving as General Partner shall be the "tax matters partner" of the Partnership pursuant to section 6231(a)(7) of the Code. As tax matters partner, such Partner shall take such action as may be necessary to cause each other Partner to become a "notice partner" within the meaning of section 6223 of the Code. Such Partner shall inform each other Partner of all significant matters that may come to its attention in its capacity as tax matters partner by giving notice thereof within ten days after becoming aware thereof and, within such time, shall forward to

each other Partner copies of all significant written communications it may receive in such capacity. Such Partner shall not take any action contemplated by sections 6222 through 6232 of the Code without the consent of the Limited Partner. This provision is not intended to authorize such Partner to take any action left to the determination of an individual Partner under sections 6222 through 6232 of the Code.

Section 9.7. Allocations on Transfer of Interests. All items of income, gain, loss, deduction, and credit allocable to any interest in the Partnership that may have been transferred shall be allocated between the transferor and the transferee based upon the closing of the books method, unless the transferor and transferee otherwise agree.

Section 9.8. Sharing of Company Nonrecourse Debt. Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a), the Partners' interests in Company profits are in proportion to their Sharing Ratios.

Section 9.9. Intent of Allocations. The parties intend that the foregoing tax allocation provisions of this Article 9 shall produce final Capital Account balances of the Partners such that distributions made in

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accordance with Section 10.2(c)(2) (after unpaid loans and interest thereon, including those owed to Partners have been paid) are made in accordance with final Capital Account balances. To the extent that the tax allocation provisions of this Article 9 would fail to produce such final Capital Account balances, (i) such provisions shall be amended by the General Partner (with the Limited Partner's written consent) if and to the extent necessary to produce such result and (ii) taxable income and taxable loss of the Partnership for prior open years (or items of gross income and deduction of the Partnership for such years) shall be reallocated by the General Partner among the Partners (with the Limited Partner's written consent) to the extent it is not possible to achieve such result with allocations of items of income (including gross income) and deduction for the current year and future years, as approved by the General Partner and Limited Partner. This Section 9.9 shall control notwithstanding any reallocation or adjustment of taxable income, taxable loss, or items thereof by the Internal Revenue Service or any other taxing authority.

ARTICLE 10

WITHDRAWAL, DISSOLUTION, LIQUIDATION, AND TERMINATION

Section 10.1. Dissolution, Liquidation, and Termination Generally. The Partnership shall be dissolved (but not prior to payment in full of the Mortgage Loan) upon the first to occur of any of the following:

(a) the first day of the first taxable year of the Partnership following the taxable year in which occurs the sale or disposition of all of the assets of the Partnership and the receipt, in cash, of all consideration therefor unless all the Partners elect not to dissolve the Partnership;

(b) the determination of the General Partner and the Limited Partner to dissolve the Partnership; or

(c) the occurrence of any event which, as a matter of law, requires that the Partnership be dissolved (other than a Bankruptcy of a Partner which shall not dissolve the Partnership).

Section 10.2. Liquidation and Termination. Upon dissolution of the Partnership, unless it is continued as provided above, the General Partner shall act as liquidator or may appoint one or more other Persons as liquidator; however, if the Partnership is dissolved because of an event occurring with respect to the General Partner, the liquidator shall be one or more Persons selected in writing by the other Partner. The liquidator shall proceed diligently to wind up the affairs of the Partnership and make final distributions as provided herein. The costs of liquidation shall be a Partnership expense. Until final distribution, the liquidator shall continue to

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operate the Partnership properties with all of the power and authority of the General Partner hereunder. The steps to be accomplished by the liquidator are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by

Ernst & Young, LLC or such other firm of certified public accountants as is acceptable to the Limited Partner of the Partnership's assets, liabilities, and operations through the last day of the calendar month in which the dissolution shall occur or the final liquidation shall be completed, as applicable;

(b) the liquidator shall pay all of the debts and liabilities of the Partnership or otherwise make adequate provision therefor (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

(c) all remaining assets of the Partnership shall be distributed to the Partners as follows:

(1) the liquidator may sell any or all Partnership property and the sum of (A) any resulting gain or loss from each sale plus (B) the fair market value of such property that has not been sold shall be determined and (notwithstanding the provisions of Article 9) income, gain, loss, and deduction inherent in such property (that has not been reflected in the Capital Accounts previously) shall be allocated among the Partners to the extent possible to cause the Capital Account balance of each Partner to equal the amount distributable to such Partner under Article 8; and

(2) after Capital Accounts have been adjusted for all distributions under Article 8 and all allocations of Profits and Losses under Sections 9.3, 9.9 and Section 10.2(c) (1), Partnership property shall be distributed in accordance with Section 8.2.

Notwithstanding anything to the contrary, in the event the Partnership is "liquidated" within the meaning of Regulations ss. 1.704-1(b)(2)(ii)(g), liquidating distributions shall be made pursuant to this Section 10.2 by the end of the taxable year in which the Partnership is liquidated, or, if later, within ninety (90) days after the date of such liquidation. Distributions pursuant to the preceding sentence may be made to a trust for the purpose of an orderly liquidation of the Partnership by the trust in accordance with the Act.

Section 10.3. Deficit Capital Accounts. No Partner shall be required to pay to the Partnership, to any other Partner or to any third party any deficit balance which may exist from time to time in the Partner's capital account.

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Section 10.4. Cancellation of Certificate. On completion of the distribution of Partnership assets, the Partner (or such other person as the Act may require or permit) shall file a Certificate of Cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to Section 2.5, and take such other actions as may be necessary to terminate the existence of the Partnership.

ARTICLE 11

MISCELLANEOUS PROVISIONS

Section 11.1. Notices. All notices provided for or permitted to be given pursuant to this Agreement must be in writing and shall be given or served by (a) depositing the same in the United States mail addressed to the party to be notified, postpaid and certified with return receipt requested, (b) by delivering such notice in person to such party, or (c) by prepaid telegram, telex, or telecopy. By giving written notice thereof, each Partner shall have the right from time to time to change its address pursuant hereto. Notices shall be given to the parties at the following addresses:

If to Developer Partner: Cedar Bay Income Fund Partnership, L.P.
c/o Cedar Bay Realty Advisors
44 South Bayles Avenue
Port Washington, New York 11050
Attention: Mr. Leo S. Ullman

with a copy to: c/o Cedar Bay Realty Advisors
44 South Bayles Avenue
Port Washington, New York 11050
Attention: General Counsel

If to Limited Partner: c/o Kimco Realty Corporation
3333 New Hyde Park Road
New Hyde Park, NY 11042
Attention: Mr. Michael Pappagallo

with a copy to: Stephen M. Lyons III, Esq.
Reed Smith LLP
2500 One Liberty Place
Philadelphia, PA 19103

Section 11.2. Governing Law. This Agreement and the obligations of the Partners hereunder shall be construed and enforced in accordance with the laws

of the State of Delaware, excluding any conflicts of law rule or principle which might refer such construction to the laws of another state or country. Each Partner submits to the jurisdiction of the state and federal courts in the State of Delaware.

Section 11.3. Entireties; Amendments. This Agreement and its exhibits constitute the entire agreement between the Partners relative to the formation

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of the Partnership. Except as otherwise provided herein, no amendments to this Agreement shall be binding upon any Partner unless set forth in a document duly executed by such Partner.

Section 11.4. Waiver. No consent or waiver, express or implied, by any Partner of any breach or default by any other Partner in the performance by the other Partner of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Partner of the same or any other obligation hereunder. Failure on the part of any Partner to complain of any act or to declare any other Partner in default, irrespective of how long such failure continues, shall not constitute a waiver of rights hereunder.

Section 11.5. Severability. If any provision of this Agreement or the application thereof to any Person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 11.6. Ownership of Property and Right of Partition. A Partner's interest in the Partnership shall be personal property for all purposes. No Partner shall have any right to partition the property owned by the Partnership or any Subsidiary.

Section 11.7. Captions, References. Pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character, and the singular shall include the plural wherever and as often as may be appropriate. Article and section headings are for convenience of reference and shall not affect the construction or interpretation of this Agreement. Whenever the terms "hereof", "hereby", "herein", or words of similar import are used in this Agreement they shall be construed as referring to this Agreement in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Whenever the word "including" is used herein, it shall be construed to mean including without limitation. Any reference to a particular "Article" or a "Section" shall be construed as referring to the indicated article or section of this Agreement unless the context indicates to the contrary.

Section 11.8. Involvement of Partners in Certain Proceedings. Should any Partner become involved in legal proceedings unrelated to the Partnership's business in which the Partnership is required to provide books, records, an accounting, or other information, then such Partner shall indemnify, defend and

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hold harmless the Partnership from all liabilities and expenses (including reasonable attorneys' fees and costs) incurred in conjunction therewith.

Section 11.9. Interest. No amount charged as interest on loans hereunder shall exceed the maximum rate from time to time allowed by applicable law.

Section 11.10. Counterparts. This Agreement may be executed in one or more counterparts (and by different parties hereto on different counterparts), each of which will constitute an original, but all of which when taken together shall constitute a single contract.

Section 11.11. Approvals and Consents of Limited Partner. Whenever under the terms of this Agreement the approval or consent of the Limited Partner shall be required, the Limited Partner shall not unreasonably withhold or condition such approval or consent and such approval or consent shall be deemed given if the Limited Partner shall not respond to any written request for consent or approval within ten (10) days after the Limited Partner's receipt of such written request for consent or approval. If the Limited Partner shall give notice to the Developer Partner within such ten (10) day period that it does not believe the Developer Partner has provided the necessary information or documentation on which Limited Partner may reasonably make a decision on the

matter in question (and shall specify the additional information or documentation required), then the foregoing ten (10) day period shall be extended to the date which is ten (10) days after Developer Partner has provided the Limited Partner with such additional information or documentation as shall be reasonably required by the Limited Partner in order to make a decision on the matter in question.

Section 11.12. Buyout Rights. Reference is hereby made to Articles 4, 12 and 13 of the Fairport Partnership Agreement. Whenever the interest of the Developer Partner (as defined in the Fairport Partnership Agreement) is to be sold pursuant to said Articles 4, 12 or 13, then the interest of the Developer Partner (as defined in this Agreement) under this Agreement shall be transferred to, or as directed by, the Preferred Partner (as defined in such Property Partnership Agreement) subject to the terms and conditions of each of said Articles 4, 12 and 13 as if such partnership interest were an interest of the Developer Partner (as defined in the Fairport Partnership Agreement) in the Fairport Partnership.

ARTICLE 12

SPE PROVISIONS

Notwithstanding any provision hereof to the contrary, the following shall govern:

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12.1. Purpose. The Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and management of the Project and such activities as are necessary, incidental or appropriate in connection therewith.

12.2. Powers and Duties. (a) Notwithstanding any other provision of this Agreement and so long as any obligation secured by that certain Mortgage and Security Agreement from the Partnership to General Electric Capital Corporation (the "Mortgage") remains outstanding and not discharged in full, without the prior written consent of the holder of the Mortgage, the General Partner and the Partnership shall have no authority to:

(i) borrow money or incur indebtedness on behalf of the Partnership other than normal trade accounts payable and lease obligations in the normal course of business, or grant consensual liens on the Partnership's property; except, however, that the General Partner is hereby authorized to secure financing for the Partnership pursuant to the terms of the Mortgage and other indebtedness expressly permitted therein or in the documents related to the Mortgage, and to grant a mortgage, lien or liens on the Partnership's property (including the Project) to secure such Mortgage;

(ii) dissolve or liquidate the Partnership;

(iii) sell or lease, or otherwise dispose of all or substantially all of the assets of the Partnership;

(iv) amend, modify or alter any provision of Article 14 of this Agreement;

(v) merge or consolidate with any other entity.

(b) So long as any obligations secured by the Mortgage remain outstanding and not discharged in full, the General Partner and the Partnership shall have no authority, unless such action has been approved by the unanimous vote of the Board of Directors of the managing member of the General Partner and the unanimous vote of all other Partners, to file a voluntary petition or otherwise initiate proceedings to have the Partnership adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Partnership, or file a petition seeking or consenting to reorganization or relief of the Partnership as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Partnership; or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Partnership or of all or any substantial part of the properties and assets of the Partnership, or make any

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general assignment for the benefit of creditors of the Partnership, or admit in writing the inability of the Partnership to pay its debts generally as they become due or declare or effect a moratorium on the Partnership debt or take any action in furtherance of any action.

(c) So long as any obligation secured by the Mortgage remains outstanding and not discharged in full, the Partnership shall have either (a) a

limited liability company as its general partner or (b) a corporation as general partner, having a certificate of formation (or articles of incorporation, as the case may be) containing the restrictions and terms set forth in Articles _____ of the Certificate of Formation in effect as of the date hereof of the General Partner, and the Partnership shall have no other general partners.

12.3. Title to Partnership Property. All property owned by the Partnership shall be owned by the Partnership as an entity and, insofar as permitted by applicable law, no Partner shall have any ownership interest in any Partnership property in its individual name or right, and each Partner's Partnership interest shall be personal property for all purposes.

12.4. Separateness/Operations Matters. The Partnership shall:

- (a) maintain books and records and bank accounts separate from those of any other person;
- (b) maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets;
- (c) hold regular Partnership meetings, as appropriate, to conduct the business of the Partnership, and observe all other Partnership formalities;
- (d) hold itself out to creditors and the public as a legal entity separate and distinct from any other entity;
- (e) prepare separate tax returns and financial statements, or if part of a consolidated group, then it will be shown as a separate member of such group;
- (f) allocate and charge fairly and reasonably any common employee or overhead shared with affiliates;
- (g) transact all business with affiliates on an arm's-length basis and pursuant to enforceable agreements;
- (h) conduct business in its own name, and use separate stationery, invoices and checks;

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- (i) not commingle its assets or funds with those of any other person;
- (j) not assume, guarantee or pay the debts or obligations of any other person;
- (k) correct any known misunderstanding as to its separate identity;
- (l) not permit any affiliate to guarantee or pay its obligations (other than limited guarantees set forth in the Mortgage or related documents); and
- (m) not make loans or advances to any other person.

12.5. Effect of Bankruptcy, Death or Incompetency of a Limited Partner. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Limited Partner shall not cause the termination or dissolution of the Partnership and the business of the Partnership shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Limited Partner shall have all the rights of such Limited Partner for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Limited Partner. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Partnership Interest shall be subject to all of the restrictions, hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Limited Partner.

[signatures continued on next page]

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Executed effective as of the date above written.

GENERAL PARTNER/DEVELOPER

PARTNER:

CIF-FAIRVIEW PLAZA ASSOCIATES, LLC,

a Delaware limited liability company

By: Cedar Income Fund
Partnership, L.P., a Delaware
limited partnership, its sole member

By: Cedar Income Fund, Ltd.,
a Maryland Corporation,
its general partner

By: _____
Brenda J. Walker,
Vice President

[signatures continued on next page]

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LIMITED PARTNER:

FAIRPORT ASSOCIATES, LP

By: CIF-Fairport Associates, LLC,
a Delaware limited liability
company, its general partner

By: Cedar Income Fund
Partnership, L.P., a limited
partnership, its sole member

By: Cedar Income Fund, Ltd., a
Maryland corporation, its
general partner

By: _____
Brenda J. Walker,
Vice President

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PROPERTY MANAGEMENT AGREEMENT

[Fairview Plaza]

THIS PROPERTY MANAGEMENT AGREEMENT ("Agreement") made as of January 9, 2003 by and between FAIRVIEW PLAZA ASSOCIATES, L.P., a Delaware limited partnership ("Owner"), and BRENTWAY MANAGEMENT LLC, a New York limited liability company ("Manager").

BACKGROUND

A. Owner is the owner of the land and improvements known as Fairview Plaza, New Cumberland, Pennsylvania (the "Property").

B. Owner desires to retain Manager as Owner's exclusive manager and broker for the purposes of leasing and managing the Property on behalf of Owner and Manager is willing to act as Manager 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 Manager agree as follows:

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

2. Manager 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 Manager of such duty or duties), take all such actions as Manager 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. Manager may retain counsel, collection agencies, and such other persons and firms as Manager 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. Manager 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 Manager shall notify Owner of budget expenditures cumulatively exceeding one hundred ten percent (110%) of the total expenditures shown on any approved annual budget;

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 Managers of properties similar in location and size to that of the Property. Manager shall prepare or cause to be prepared and file all returns and other reports relating to the Property (other than (a) income tax returns and (b) 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. Manager shall periodically report to Owner on the general operations, occupancy, physical condition, disbursements, delinquencies, uncollectible accounts, and other matters relating to the Property. Manager 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 Manager under this Agreement. As soon as practicable after the end of each calendar year and after the expiration or termination of this Agreement, Manager 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. Manager 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. Manager 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;

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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 Manager and naming Owner and Manager as co-insureds and in form and substance satisfactory to Owner, Manager and any mortgagees; provided, however, that if Manager 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 Manager harmless of and from any claims, loss, damages and liability of any nature whatsoever based upon or in any way relating to Manager's securing or failure to secure any insurance, or any decision made by Manager with respect to the amount or extent of coverage thereof or the company or companies issuing, brokering or negotiating such insurance;

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

2.11. Intentionally omitted;

2.12. Intentionally omitted;

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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. Manager shall maintain casualty and liability insurance in the name of the Owner for the Property in amounts reasonably acceptable to Owner;

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. Manager 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;

2.17. To institute and prosecute on behalf of Owner such legal actions or proceedings as the Manager 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 Manager; to defend any administrative or legal action brought against Owner with respect to the Property or the Property with Owner's approval;

2.18. To maintain such bank or similar accounts on behalf of Owner, and in Owner's name, as are necessary or appropriate in the operation of the Property, including such reserve, investment, security, escrow and other accounts, it being understood that all rents and income from the Property shall be deposited into an account in Owner's name;

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 Manager;

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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 Manager's knowledge thereof;

2.23. To supervise and arrange for all construction work performed on behalf of Owner at, in or about the Property. Manager 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 Manager 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. With Owner's approval, to handle on behalf of Owner the submission to appropriate insurance officials of insurance claims and, with the consent of the Owner, the settlement thereof;

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 Manager 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 Managers within the Property's geographical area as shall be reasonably requested from time to time by Owner. If Owner and Manager disagree as to which services are customarily performed by Managers as aforesaid, Manager 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 Manager 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

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incur any expense chargeable to Owner other than expenses related to exercising the express powers above vested in Manager 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. Manager 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.

3.2. Manager's duties under this Agreement are limited as follows:

(i) Manager shall not have any authority to enter into any leases for or on behalf of the Owner, although the Manager shall be authorized to negotiate term sheets for leases of space in the Property and present those term sheets to Owner for Owner's approval. All leases of space in the Property must be signed by the Owner and must be on a lease form approved by the Owner.

(ii) Manager shall obtain and present to Owner for approval and execution by Owner contracts for electricity, gas, fuel, water and telephone, maintenance services, trash services, and other services as Manager deems advisable. Manager may enter into contracts on behalf of Owner only after Owner's written approval thereof provided that Owner's approval is not required for a contract for a service in which the cost for such service under such contract does not exceed the cost specified in the Budget. Manager shall not have authority to enter into any contract for any services whose estimated cost would exceed the cost specified therefor in the Budget.

(iii) Manager shall give Owner prompt written notice of any claim which may affect the Property, or of any alleged violations of any applicable law relating to the Property. Manager may not hire any legal counsel to defend any such claim against Owner without Owner's prior written consent.

(iv) To the extent that operating revenues of the Property are available to do so, Manager shall use all reasonable efforts to cause the Property to be operated in accordance with applicable law and all insurance requirements; provided, however, that Manager shall not, without the prior written consent of Owner, make any alterations or repairs, if not included in the then current budget, except for emergency repairs described in Section 3.

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(v) To the extent that operating revenues of the Property are available to do so, Manager shall enforce all provisions of all contracts and leases to which Owner is a party, except that Manager may not institute any legal action against a vendor or a tenant without the written approval of the Owner.

(vi) Manager shall establish, maintain and supervise at the Manager's office such books and records necessary or desirable in order for Manager to render monthly financial statements to the Owner. Such records shall be kept for a period of not less than three (3) years and, upon termination of this Agreement for any reason, Manager shall turn over all of such books and records to the Owner and be relieved of any obligation to maintain records thereafter. Owner or any partner of Owner shall have the right to inspect such records at any time upon 24 hours notice to the Manager.

(vii) If Manager must engage employees to render the services required by Manager hereunder, all such employees shall be employees of the Manager, and not employees of the Owner.

4. Owner, and not Manager, shall be responsible for providing the 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 and Manager's obligations hereunder are conditioned upon Owner doing so. Owner shall advance such funds to Manager no later than fifteen (15) days after its receipt from Manager of notice of the necessity for such advance. Owner agrees to provide any anticipated cash deficits fifteen (15) days prior to its occurrence. If Owner fails to provide such funds to Manager, however, Owner shall not be liable in damages or for specific performance and Manager's remedies for breach by Owner of Owner's covenants in this Section 4 shall be to terminate this Agreement, in which event the provisions of Section 10 hereof shall be applicable.

5. Except as otherwise provided for herein, Owner shall pay to Manager a property management fee in an amount equal to 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, but 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 for rental loss insurance) or condemnation award. This fee does not include commissions for leasing services set forth in Section 5.2.

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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 Manager 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 Manager to defer receipt by it of any management fee or other fees whatsoever.

5.2. Manager or its affiliate shall be the leasing agent for the Property. Owner shall pay brokerage commissions as follows:

(a) Subject to the provisions of subsection (e) hereof, with respect to all leases negotiated with new tenants a commission of (a) 4% of gross minimum rent (which, as used in this agreement, excludes common area maintenances, taxes and expense reimbursements payable by a tenant) for leases of less than 5,000 rentable square feet and (6) 3% of gross minimum rent for leases of 5,000 or more rentable square feet. One half (1/2) of said commission shall be paid when the lease has been signed by the Owner and tenant and the tenant opens for business, and the remainder of the commission shall be paid upon the later of the date tenant opens for business or the date tenant pays its first full monthly rent payment.

(b) With respect to any new lease with an existing tenant, extension of the term of an existing lease (beyond any then existing lease term, plus renewals) with a then existing tenant, or the exercise by a tenant of a renewal option, the commission shall be 2% of the gross minimum rent, but in no event shall the fee be less than \$300.00.

(c) No commissions shall be due and payable upon any sale, refinancing or ground lease of the entire Property except as set forth in Section 4.8 of the Limited Partnership Agreement of Owner (such fee may be payable to Manager in lieu of General Partner or another Affiliate (as defined in the Limited Partnership Agreement of Owner)).

(d) In the event that a tenant vacates the Property prior to the expiration of its lease, Manager will, subject to the following conditions in this subsection, reimburse Owner for a pro rata credit for the unearned portion of the commission, provided that Manager negotiated the original lease and received a commission. Manager's obligation to return a pro rata portion of the commission shall be, in the event of a co-broker, only that share of the commission retained by Manager. Said reimbursement to Owner shall be due only as a credit against the next commission earned in re-leasing said vacated space. It shall be the duty of the Manager to renegotiate leases, where possible, with existing tenants in the Property.

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(e) Manager shall have an exclusive listing of all rentals in the Property and shall be entitled to a commission in those instances where another real estate broker represents the tenant or is otherwise responsible for causing a lease to be executed, it being the responsibility of the Manager to pay such other broker any commissions due it. In the event that Manager has to pay an outside broker, the commission payable to Manager shall be one and one-half times the commission amounts as stated in Section 5.2(a) and Manager agrees to pay such outside broker a commission of not less than 50% of Manager's commissions specified in Section 5.2(a) (and if Manager negotiate a lesser amount, the amount payable to Manager under this subsection 5.2(e) shall be reduced by the amount of such savings).

(f) Notwithstanding anything to the contrary in this Section 5, however, no commission shall be payable under any lease for a period covering more than 15 years. For example, if Owner enters into a 20 year lease with a tenant, a commission shall be based only on the initial 15 years; or if the Owner enters into a lease with a tenant providing for one initial 5-year term and three 5-year renewal terms, commissions shall be based solely on the initial 5-year term and two of the 5-year renewal terms. However, if all renewal options in a lease have expired, and the lease is then renewed or a new lease is entered into with the same tenant, the Manager will be entitled to a commission thereon pursuant to Section 5.2(b).

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

7. The Manager, 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 Manager.

8. In performing its obligations hereunder, Manager 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 one (1) year 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

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time upon fifteen (15) days' notice to Manager in the event of the malfeasance or breach of this Agreement by Manager or upon the filing of a bankruptcy petition against or by Manager. 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

(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 Manager 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 Manager shall survive any termination and, if Manager is or becomes involved in any proceeding or litigation by reason of having been Owner's Manager, such provisions shall apply as if this Agreement were still in effect. Owner agrees that Manager 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.

At the expiration or earlier termination of this Agreement, and as a condition to paying any fees due to the Manager, Manager shall deliver to Owner all cash and security deposits, if any, previously collected and not properly expended or otherwise delivered to Owner by Manager for the benefit of Owner; all originals and executed copies of leases and all related lease files; all other books and records in the possession of the Manager relating to the Property; all licenses and permits relating to the Property; and all other software associated with the foregoing. Manager shall cooperate in good faith to achieve the orderly transfer of the management responsibilities for the Property to the new manager designated by Owner.

11. Owner agrees to indemnify, defend, and save the Manager, 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 Manager'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 Manager's performance of its duties hereunder;

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(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 Manager, 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 Manager are subject to the following conditions:

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

(ii) Manager 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 Manager.

Notwithstanding the foregoing, Owner shall not be required to indemnify, hold harmless, or reimburse Manager with respect to any matter (a) to

the extent the same resulted from the gross negligence or willful malfeasance of Manager or actions taken by Manager outside of the scope of Manager's authority under this Agreement or any express or implied direction of Owner, (b) which are covered under workmen's compensation, disability benefits or other insurance, or (c) to damages or injuries to persons or property caused or occasioned by the operation of a motor vehicle of any description which are covered by automobile liability insurance maintained by Manager as required herein (Manager shall be entitled to indemnification if such damages or injuries are not covered by such automobile liability insurance provided that such damages or injuries are not due to actions by Manager outside of the scope of Manager's authority under this Agreement). Manager agrees to insure itself and its employees, with appropriate limits of liability, against liability for damages or injuries to persons or property caused or occasioned by the operation of any motor vehicle, and to furnish evidence of such insurance to Owner; provided that Manager is entitled to be reimbursed for the pro rata share of any auto policy apportionable to the Property.

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

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12. Owner and Manager 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. Manager 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 Managers 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 Manager, in its sole and absolute discretion, considers that the action or position of Owner may result in damage or liability to Manager, Manager 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 Manager set forth herein and shall not terminate (i) any liability or obligation of Owner to Manager for any payment, reimbursement, or other sum of money then due and payable to Manager hereunder as of the date of such cancellation, or (ii) any obligation of Manager to remit moneys to Owner or to complete its obligations hereunder to the date of such cancellation. Manager shall cooperate with Owner to ensure a smooth and efficient transition to a new managing Manager, including but not limited to, prompt delivery of files relating to the Property.

15. Manager agrees to 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 Manager, 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 Manager's performance of its duties hereunder; and

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

16. Manager shall furnish Owner with evidence that Manager has in force during the term of this Agreement liability insurance (in amounts not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate) and will maintain these limits throughout the term of this Agreement.

17. It is expressly agreed by the parties that:

17.1. 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.

17.2. 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.

17.3. 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.

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

17.5. 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.

17.6. 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.

17.7. 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:

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As to Owner: Fairview Plaza Associates, LP
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Leo S. Ullman

With a copy to: Kimco Realty Corporation
4979 Old Street Road
Trevose, Pennsylvania 19053
Attention: Mr. John Greenwood

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

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

17.9. This Agreement shall not be deemed at any time to be an interest in real estate or a lien of any kind against the Property. The rights of Manager created hereby shall not run with the land. The rights of Manager hereunder shall at all times be subject and subordinate to any mortgage encumbering any or all of the Property and Manager agrees to execute from time to time documents required by a Mortgagee to confirm the foregoing subordination.

17.10. Manager's relationship to Owner is strictly and solely that of an independent contractor. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture between Manager and Owner.

17.11. Neither the Owner nor any present or future member, manager, officer, director, employee, representative or agent of Owner shall have any personal liability of any kind or nature whatsoever arising under this agreement, and the liability of the Owner (and any present or future partner of Owner) for its obligations under this agreement shall be limited solely to Owner's interest in the Property and Manager shall look solely to the Property (and the cash flow therefrom) for the enforcement of Manager's rights hereunder.

17.12. This Agreement may not be amended, altered or modified except by written instruments signed by Owner and Manager and consented to by Owner's Partners.

17.13. This Agreement may be executed in one or more

counterparts (and by different parties hereto on different counterparts), each of which will constitute an original, but all of which when taken together shall

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constitute a single contract. A facsimile signature shall for all purposes be deemed to be an original signature, and either party hereto shall forward to the other party an original signature if required by the other party.

[Remainder of Page Blank; Signatures Follow]

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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.

MANAGER

BRENTWAY MANAGEMENT LLC

By: _____
Brenda J. Walker
President

OWNER

FAIRVIEW PLAZA ASSOCIATES, L.P.

By: CIF-Fairview Plaza Associates, LLC,
its general partner

By: Cedar Income Fund Partnership, L.P.,
its sole member

By: Cedar Income Fund, Ltd.,
its general partner

By: _____
Brenda J. Walker
Vice President

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GENERAL ELECTRIC CAPITAL CORPORATION

(Lender)

to

FAIRVIEW PLAZA ASSOCIATES, L.P.

(Borrower)

LOAN AGREEMENT

Dated as of: January ____, 2003

Property Location: New Cumberland, Pennsylvania

DOCUMENT PREPARED BY:

Andrews & Kurth L.L.P.

1717 Main Street, Suite 3700

Dallas, Texas 75201

Attention: Charles T. Marshall, Esq.

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LIST OF EXHIBITS AND SCHEDULES
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EXHIBIT A	LEGAL DESCRIPTION OF PROJECT
SCHEDULE I	DEFEASANCE

LOAN AGREEMENT

This Loan Agreement (this "Agreement") is entered into as of January _____, 2003 between GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation ("Lender"), and FAIRVIEW PLAZA ASSOCIATES, LP, a Delaware limited partnership, whose organization number is 3582949 ("Borrower").

ARTICLE 1
 DEFINITIONS

Section 1.1 Certain Definitions. As used herein, the following terms have the meanings indicated:

"Affiliate" means (a) any corporation in which Borrower or any partner, shareholder, director, officer, member, or manager of Borrower directly or indirectly owns or controls more than ten percent (10%) of the beneficial interest, (b) any partnership, joint venture or limited liability company in which Borrower or any partner, shareholder, director, officer, member, or manager of Borrower is a partner, joint venturer or member, (c) any trust in which Borrower or any partner, shareholder, director, officer, member or manager of Borrower is a trustee or beneficiary, (d) any entity of any type which is directly or indirectly owned or controlled by Borrower or any partner, shareholder, director, officer, member or manager of Borrower, (e) any partner, shareholder, director, officer, member, manager or employee of Borrower, (f) any Person related by birth, adoption or marriage to any partner, shareholder, director, officer, member, manager, or employee of Borrower, or (g) any Borrower Party.

"Agreement" means this Loan Agreement, as amended from time to time.

"Assignment of Leases and Rents" means the Assignment of Leases and Rents, executed by Borrower for the benefit of Lender, and pertaining to leases of space in the Project.

"Award" has the meaning assigned in Section 3.3.

"Bankruptcy Party" has the meaning assigned in Section 9.7.

"Borrower Party" means any Joinder Party, any general partner of Borrower, and any general partner in any partnership that is a general partner of Borrower, any managing member of Borrower, and any managing member in any limited liability company that is a managing member of Borrower, at any level.

"Business Day" means a day other than a Saturday, a Sunday, or a legal holiday on which national banks located in the State of New York are not open for general banking business.

"Casualty" has the meaning assigned in Section 3.2.

"Closing Date" means the date the Loan is funded by Lender.

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"Commitment" means the commitment letter, dated December 10, 2002, issued by Lender and accepted by Borrower on January __, 2003.

"Condemnation" has the meaning assigned in Section 3.3.

"Contract Rate" has the meaning assigned in Section 2.2.

"Debt" means, for any Person, without duplication: (a) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit, or for the deferred purchase price of property for which such Person or its assets is liable, (b) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility, (c) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests, (d) all indebtedness guaranteed by such Person, directly or indirectly, (e) all obligations under leases that constitute capital leases for which such Person is liable, and (f) all obligations of such Person under swaps, caps, floors, collars and other hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

"Debt Service" means the aggregate interest, fixed principal, and other payments due under the Loan, and on any other outstanding permitted Debt relating to the Project approved by Lender for the period of time for which calculated.

"Default Rate" means the lesser of (a) the maximum rate of interest allowed by applicable law, and (b) five percent (5%) per annum in excess of the Contract Rate.

"Defeasance Option" has the meaning assigned in Section 2.3(c).

"Environmental Laws" has the meaning assigned in Section 4.1(a).

"ERISA" has the meaning assigned in Section 6.8.

"Event of Default" has the meaning assigned in Article 9.

"Funds" means the Replacement Escrow Fund and the Rollover Escrow Fund.

"Hazardous Materials" has the meaning assigned in Section 4.1(b).

"Insurance Premiums" has the meaning assigned in Section 3.1(c).

"Joinder Party" means the Persons, if any, executing the Joinder hereto.

"Lien" means any interest, or claim thereof, in the Project securing an obligation owed to, or a claim by, any Person other than the owner of the Project, whether such interest is based on common law, statute or contract, including the lien or security interest arising from a deed of trust, mortgage, assignment, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" shall include reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting the Project.

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"Loan" means the loan made by Lender to Borrower under this Agreement and all other amounts secured by the Loan Documents.

"Loan Documents" means: (a) this Agreement, (b) the Note, (c) the Mortgage, (d) the Assignment of Leases and Rents, (e) Uniform Commercial Code financing statements, (f) such assignments of management agreements, contracts and other rights as may be required under the Commitment or otherwise requested by Lender, (g) all other documents evidencing, securing, governing or otherwise pertaining to the Loan, and (h) all amendments, modifications, renewals, substitutions and replacements of any of the foregoing; provided however, in no event shall the term "Loan Documents" include that certain Hazardous Materials Indemnity Agreement (the "Environmental Indemnity Agreement") dated the date hereof in favor of Lender.

"Loan Year" means (a) for the first Loan Year, the period between the date hereof and one calendar year from the last day of the month in which the Closing Date occurs (unless the Closing Date is on the first day of a month, in which case the first Loan Year shall commence on such Closing Date and end one calendar year from the last day of the month immediately preceding the Closing Date) and (b) each consecutive twelve month calendar period after the first Loan Year until the Maturity Date.

"Maturity Date" means, as applicable, the earlier of (a) February 1, 2013, or (b) any earlier date on which the entire Loan is required to be paid in full, by acceleration or otherwise, under this Agreement or any of the other Loan Documents.

"Mortgage" means the Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, executed by Borrower in favor of Lender, covering the Project.

"Note" means the Promissory Note of even date, in the stated principal amount of \$6,080,000.00, executed by Borrower, and payable to the order of Lender in evidence of the Loan.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity.

"Potential Default" means the occurrence of any event or condition which, with the giving of notice, the passage of time, or both, would constitute an Event of Default.

"Project" means Fairview Plaza, New Cumberland, Pennsylvania, and all related facilities, amenities, fixtures, and personal property owned by Borrower and any improvements now or hereafter located on the real property described in Exhibit A.

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"Rating Agencies" means each of Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., Moody's Investors Service, Inc., and Fitch, Inc., or any other nationally-recognized statistical rating agency which has been approved by Lender.

"Replacement Escrow Fund" has the meaning assigned in Section 2.4.

"Rollover Escrow Fund" has the meaning assigned in Section 2.4.

"Secondary Market Transaction" has the meaning assigned in Section 8.11.

"Single Purpose Entity" shall mean a Person (other than an individual, a government or any agency or political subdivision thereof), which exists solely for the purpose of owning the Project, observes corporate, company or partnership formalities, as applicable, independent of any other entity, and which otherwise complies with the covenants set forth in Section 6.14 hereof.

"Site Assessment" means an environmental engineering report for the Project prepared at Borrower's expense by an engineer engaged by Borrower, or Lender on behalf of Borrower, and approved by Lender, and in a manner reasonably satisfactory to Lender, based upon an investigation relating to and making appropriate inquiries concerning the existence of Hazardous Materials on or about the Project, and the past or present discharge, disposal, release or escape of any such substances, all consistent with ASTM Standard E1527-93 (or any successor thereto published by ASTM) and good customary and commercial practice.

"SPC Party" has the meaning assigned in Section 6.14(o).

"State" means the Commonwealth of Pennsylvania.

"Tax and Insurance Escrow Fund" has the meaning assigned in Section 3.4.

"Taxes" has the meaning assigned in Section 8.2.

"Yield Maintenance Amount" has the meaning assigned in Schedule 1.

ARTICLE 2
LOAN TERMS

Section 2.1 The Loan. Upon satisfaction of all the terms and conditions set forth in the Commitment, Lender agrees to make a Loan of SIX MILLION EIGHTY THOUSAND AND NO/100 DOLLARS (\$6,080,000.00) to the Borrower, which shall be funded in one advance and repaid in accordance with the terms of this Agreement and the Note. Borrower hereby agrees to accept the Loan on the Closing Date,

subject to and upon the terms and conditions set forth herein.

Section 2.2 Interest Rate; Late Charge. The outstanding principal balance of the Loan shall bear interest at a rate of interest equal to _____ percent (___%) per annum (the "Contract Rate"). Interest at the Contract Rate shall be computed on the basis of a fraction, the

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denominator of which is three hundred sixty (360) days and the numerator of which is the actual number of days elapsed from the date of the initial disbursement under the Loan or the date of the preceding interest installment due date, as the case may be, to the date of the next interest installment due date or the Maturity Date. If Borrower fails to pay any installment of interest or principal within five (5) days of (and including) the date on which the same is due, Borrower shall pay to Lender a late charge on such past-due amount, as liquidated damages and not as a penalty, equal to five percent (5%) of such amount, but not in excess of the maximum amount of interest allowed by applicable law. While any Event of Default exists, the Loan shall bear interest at the Default Rate.

Section 2.3 Terms of Payment. The Loan shall be payable as follows:

(a) Interest and Principal. A payment of interest only on the date hereof for the period from the date hereof through the last day of the current month. Thereafter, a constant payment of \$_____, on the first day of March, 2003 and on the first day of each calendar month thereafter; each of such payments, to be applied (i) to the payment of interest computed at the Contract Rate and (ii) the balance applied toward reduction of the principal sum. The constant payment required hereunder is based on a thirty (30)-year amortization schedule.

(b) Maturity. On the Maturity Date, Borrower shall pay to Lender all outstanding principal, accrued and unpaid interest, default interest, late charges and any and all other amounts due under the Loan Documents.

(c) Prepayment. Except as set forth herein, the Loan is closed to prepayment in whole or in part. Notwithstanding the foregoing, (i) the Loan may be prepaid in whole, but not in part, on or after the scheduled monthly payment date for the one hundred eighteenth (118th) payment of principal and interest and (ii) from the earlier to occur of (x) two (2) years after the sale of the Loan in a Secondary Market Transaction or (y) the fourth (4th) anniversary of the Closing Date, provided no Event of Default exists, Borrower may obtain the release of the Project from the lien of the Mortgage in accordance with the terms and provisions of Schedule I attached hereto (the "Defeasance Option").

If the Loan is accelerated for any reason other than casualty or condemnation, and the Loan is otherwise closed to prepayment, Borrower shall pay, in addition to all other amounts outstanding under the Loan Documents, a prepayment premium equal to the sum of (i) the Yield Maintenance Amount, if any, that would be required under the Defeasance Option and (ii) five percent (5%) of the outstanding balance of the Loan. If for any reason the Loan is prepaid on a day other than a scheduled monthly payment date, the Borrower shall pay, in addition to the principal, interest and premium, if any, required under this Section, an amount equal to the interest that would have accrued on the Loan from the date of prepayment to the next scheduled monthly payment date. In the event of a prepayment resulting from Lender's application of insurance or condemnation proceeds pursuant to Article 3 hereof, no prepayment penalty or premium shall be imposed.

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Section 2.4 Security; Establishment of Funds.

(a) The Loan shall be secured by the Mortgage creating a first lien on the Project, the Assignment of Leases and Rents and the other Loan Documents. Borrower agrees to establish the following reserves with Lender, to be held by Lender as further security for the Loan:

- (i) Borrower shall deposit with Lender on the first day of each calendar month a scheduled payment is due the amount of \$2,030.00 which shall be held by Lender for replacements and repairs required to be made to the Project during the calendar year (the "Replacement Escrow Fund"); and
- (ii) Borrower shall deposit with Lender on the first day of each calendar month a scheduled payment is due the amount of \$910.00 which shall be held by Lender for tenant improvement and leasing commission obligations incurred following the date hereof (the "Rollover Escrow Fund"). Disbursements of the Rollover Escrow Fund for tenant improvement and leasing commission costs (i) for designated spaces for which more than one lease is executed may be made on a pro-rata basis for each

lease upon satisfaction of conditions to disbursement to each such lease and (ii) for designated tenants may be disbursed with respect to a replacement or substitute tenant approved by Lender.

(b) Pledge and Disbursement of Funds. Borrower hereby pledges to Lender, and grants a security interest in, any and all monies now or hereafter deposited in the Funds as additional security for the payment of the Loan. Lender may reasonably reassess its estimate of the amount necessary for the Funds from time to time and may adjust the monthly amounts required to be deposited into the Funds upon thirty (30) days notice to Borrower. Lender shall make disbursements from the Funds as requested by Borrower, and approved by Lender in its reasonable discretion, on a quarterly basis in increments of no less than \$5,000.00 upon delivery by Borrower of Lender's standard form of draw request accompanied by copies of paid invoices for the amounts requested and, if required by Lender, lien waivers and releases from all parties furnishing materials and/or services in connection with the requested payment. Lender may require an inspection of the Project at Borrower's expense prior to making a quarterly disbursement in order to verify completion of replacements and repairs for which reimbursement is sought. The Funds shall be held without interest in Lender's name and may be commingled with Lender's own funds at financial institutions selected by Lender in its reasonable discretion. Upon the occurrence of an Event of Default, Lender may apply any sums then present in the Funds to the payment of the Loan in any order in its reasonable discretion. Until expended or applied as above provided, the Funds shall constitute additional security for the Loan. Lender shall have no obligation to release any of the Funds while any Event of Default or Potential Default exists or any material adverse change has occurred in Borrower or any Joinder Party, the Project, or any major or anchor tenant. All reasonable costs and expenses incurred by Lender in the disbursement of any of the Funds shall be paid by Borrower promptly upon demand or, at Lender's sole discretion, deducted from the Funds.

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ARTICLE 3

INSURANCE, CONDEMNATION, AND IMPOUNDS

Section 3.1 Insurance. Borrower shall maintain insurance as follows:

(a) Casualty; Business Interruption.

- (i) Subject to the provisions of subsection (e) below, Borrower shall keep the Project insured against damage by fire and the other hazards covered by a standard extended coverage and all-risk insurance policy for the full insurable value thereof on a replacement cost claim recovery basis (without reduction for depreciation or co-insurance), and shall maintain such other casualty insurance as reasonably required by Lender. Such insurance shall include coverage against acts of terrorism. Lender reserves the right to require from time to time the following additional insurance: boiler and machinery; flood; earthquake/sinkhole; worker's compensation; and/or building law or ordinance. Borrower shall keep the Project insured against loss by flood if the Project is located currently or at any time in the future 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 Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994 (as such acts may from time to time be amended) in an amount at least equal to the lesser of (i) the maximum amount of the Loan or (ii) the maximum limit of coverage available under said acts. Any such flood insurance policy shall be issued in accordance with the requirements and current guidelines of the Federal Insurance Administration.
- (ii) Borrower shall maintain use and occupancy insurance covering, as applicable, rental income or business interruption, with coverage in an amount not less than twelve (12) months anticipated gross rental income or gross business earnings, as applicable in each case, attributable to the Project.
- (iii) Borrower shall not maintain any separate or additional insurance which is contributing in the event of loss unless it is properly endorsed and otherwise reasonably satisfactory to Lender in all respects. The proceeds of insurance paid on account of any damage or destruction to the Project shall be paid to Lender to be applied as provided in Section 3.2.

(b) Liability. Borrower shall maintain (i) commercial general liability insurance with respect to the Project providing for limits of liability of not

less than \$5,000,000 for both injury to or death of a person and for property damage per occurrence, and (ii) other liability insurance as reasonably required by Lender.

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(c) Form and Quality. All insurance policies shall be endorsed in form and substance acceptable to Lender to name Lender as an additional insured, loss payee or mortgagee thereunder, as its interest may appear, with loss payable to Lender, without contribution, under a standard New York (or local equivalent) mortgagee clause. All such insurance policies and endorsements shall be fully paid for and contain such provisions and expiration dates and be in such form and issued by such insurance companies licensed to do business in the State, with a general company and financial size rating of "A-IX" or better as established by Best's Rating Guide and "AA" or better by Standard & Poor's Ratings Group. Each policy shall provide that such policy may not be canceled or materially changed except upon thirty (30) days' prior written notice of intention of non-renewal, cancellation or material change to Lender and that no act or thing done by Borrower shall invalidate any policy as against Lender. Blanket policies shall be permitted only if Lender receives appropriate endorsements and/or duplicate policies containing Lender's right to continue coverage on a pro rata pass-through basis and that coverage will not be affected by any loss on other properties covered by the policies. Borrower authorizes Lender to pay the premiums for such policies (the "Insurance Premiums ") from the Tax and Insurance Escrow Fund as the same become due and payable annually in advance. If Borrower fails to deposit funds into the Tax and Insurance Escrow Fund sufficient to permit Lender to pay the premiums when due, Lender may obtain such insurance and pay the premium therefor and Borrower shall, on demand, reimburse Lender for all expenses incurred in connection therewith. Borrower shall assign the policies or proofs of insurance to Lender, in such manner and form that Lender and its successors and assigns shall at all times have and hold the same as security for the payment of the Loan. Borrower shall deliver copies of certificate evidencing all policies of insurance, together with the endorsements required hereunder. The proceeds of insurance policies coming into the possession of Lender shall not be deemed trust funds, and Lender shall be entitled to apply such proceeds as herein provided.

(d) Adjustments. Borrower shall give immediate written notice of any loss to the insurance carrier and to Lender. Borrower hereby irrevocably authorizes and empowers Lender, as attorney-in-fact for Borrower coupled with an interest, to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's reasonable expenses incurred in the collection of such proceeds. Notwithstanding the foregoing, Lender shall give reasonable prior notice to Borrower of such actions and of the amount of any insurance settlement, and shall not adjust or settle any loss without Borrower's prior written consent (which shall not be unreasonably withheld) unless an Event of Default or Potential Default then exists. Nothing contained in this Section 3.1(d), however, shall require Lender to incur any expense or take any action hereunder.

(e) Tenant Insurance. Borrower's obligation to carry and maintain the insurance required under Sections 3.1(a) (i) above shall be suspended so long as: (1) all insurance requirements set forth in those Leases (collectively, the "Tenant Lease") with Fulton Bank and Giant Foods (collectively, "Tenant"), shall, at all times, be satisfied; (2) Tenant carries and maintains, at all times, all of the insurance required to be carried by the insurance requirements under the Tenant Lease; and (3) Tenant remains the tenant under the Tenant Lease. In the event that (i) the insurance requirements set forth in the Tenant Lease are not being satisfied; (ii) Tenant fails to carry and maintain all of the insurance required to be carried by the insurance requirements under the Tenant Lease for any period of time; or (iii) Tenant is not the tenant under the Tenant Lease, then Borrower shall be required to immediately maintain all of the insurance required under Sections 3.1(a) (i) above in accordance with the terms of this Agreement.

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Section 3.2 Use and Application of Insurance Proceeds.

(a) If the Project shall be damaged or destroyed, in whole or in part, by fire or other casualty (a "Casualty"), Borrower shall give prompt notice thereof to Lender. Following the occurrence of a Casualty, Borrower, regardless of whether insurance proceeds are available, shall promptly proceed to restore, repair, replace or rebuild the same to be of at least equal value and of substantially the same character as prior to such damage or destruction, all to be effected in accordance with applicable law.

(b) Lender shall apply insurance proceeds to costs of restoring the Project or to the payment of the Loan as follows:

- (i) if the loss is less than or equal to \$200,000, Lender shall apply the insurance proceeds to restoration provided (A) no Event of Default or Potential Default exists, and (B) Borrower promptly commences and is diligently pursuing restoration of the Project;
- (ii) if the loss exceeds \$200,000 but is not more than 25% of the replacement value of the improvements, Lender shall apply the insurance proceeds to restoration provided that (A) at all times during such restoration no Event of Default or Potential Default exists; (B) Lender determines throughout the restoration that there are sufficient funds available to restore and repair the Project to a condition approved by Lender; (C) Lender determines that the net operating income of the Project during restoration, taking into account rent loss or business interruption insurance, will be sufficient to pay Debt Service; (D) Lender determines (based on leases which will remain in effect after restoration is complete if the Project is not a multi-family project) that after restoration the ratio of net operating income to Debt Service will equal at least the ratio that existed on the Closing Date; (E) Lender determines that the ratio of the outstanding principal balance of the Loan to appraised value of the project after restoration will not exceed the loan-to-value ratio that existed on the Closing Date; (F) Lender determines that restoration and repair of the Project to a condition approved by Lender will be completed within six months after the date of loss or casualty and in any event ninety (90) days prior to the Maturity Date; (G) Borrower promptly commences and is diligently pursuing restoration of the Project promptly upon adjustment of the loss with the casualty insurer; and (H) the Project, due to its legal non-conforming status, after the restoration will be in compliance with and permitted under all applicable zoning, building and land use laws, rules, regulations and ordinances governing legally non-conforming properties;
- (iii) if the conditions set forth in (i) and (ii) above are not satisfied in Lender's reasonable discretion, Lender may apply any insurance proceeds it may receive to the payment of the Loan or allow all or a portion of such proceeds to be used for the restoration of the Project; and

- (iv) notwithstanding anything to the contrary set forth in this section, Lender shall apply the insurance proceeds to restoration if and to the extent that Borrower as landlord under any of the anchor tenant leases would be required to restore the improvements damaged, provided no Event of Default or Potential Default then exists.

(c) Insurance proceeds applied to restoration will be disbursed on receipt of reasonably satisfactory plans and specifications, contracts and

subcontracts, schedules, budgets, lien waivers and architects' certificates, and otherwise in accordance with prudent commercial construction lending practices for construction loan advances (including appropriate retainages to ensure that all work is completed in a workmanlike manner).

Section 3.3 Condemnation Awards . Borrower shall promptly give Lender written notice of the actual or threatened commencement of any condemnation or eminent domain proceeding (a "Condemnation") and shall deliver to Lender copies of any and all papers served in connection with such Condemnation. Following the occurrence of a Condemnation, Borrower, to the extent that any award or compensation (an "Award") is available, shall promptly proceed to restore, repair, replace or rebuild the same to the extent practicable to be of at least equal value and of substantially the same character as prior to such Condemnation, all to be effected in accordance with applicable law. Lender may participate in any such proceeding and Borrower will deliver to Lender all instruments necessary or required by Lender to permit such participation. Without Lender's prior consent (which shall not be unreasonably withheld), Borrower (a) shall not agree to any Award, and shall not take any action or (b) fail to take any action which would cause the Award to be determined. All Awards for the taking or purchase in lieu of condemnation of the Project or any part thereof are hereby assigned to and shall be paid to Lender. Borrower authorizes Lender to collect and receive such Awards, to give proper receipts and acquittances therefor, and in Lender's sole discretion to apply the same toward the payment of the Loan, notwithstanding that the Loan may not then be due and payable, or to the restoration of the Project; provided, however, if the Award is less than or equal to \$100,000 and Borrower requests that such proceeds be used for non-structural site improvements (such as landscape, driveway, walkway and parking area repairs) required to be made as a result of such condemnation, Lender will apply the Award to such restoration in accordance with disbursement procedures applicable to insurance proceeds provided there exists no Potential Default or Event of Default, and provided further that Lender will make such Award available for restoration to the extent required by any of the anchor tenant leases and provided there shall not then exist an Event of Default or Potential Default hereunder. Borrower, upon request by Lender, shall execute all instruments requested to confirm the assignment of the Awards to Lender, free and clear of all liens, charges or encumbrances.

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Section 3.4 Impounds.

(a) Subject to subsection (b) below, Borrower shall deposit with Lender, monthly, (a) one-twelfth (1/12th) of the Taxes that Lender estimates will be payable during the next ensuing twelve (12) months in order to accumulate with Lender sufficient funds to pay all such Taxes at least thirty (30) days prior to their respective due dates, and (b) one-twelfth (1/12th) of the Insurance Premiums that Lender estimates will be payable for the renewal of the coverage afforded by the insurance policies required by Lender upon the expiration thereof in order to accumulate with Lender sufficient funds to pay all such Insurance Premiums at least thirty (30) days prior to expiration (said amounts in (a) and (b) above hereinafter called the " Tax and Insurance Escrow Fund"). At or before the advance of the Loan, Borrower shall deposit with Lender a sum of money which together with the monthly installments will be sufficient to make each of such payments thirty (30) days prior to the date any delinquency or penalty becomes due with respect to such payments. Deposits shall be made on the basis of Lender's estimate from time to time of the charges for the current year (after giving effect to any reassessment or, at Lender's election, on the basis of the charges for the prior year, with adjustments when the charges are fixed for the then current year). All funds so deposited shall be held by Lender, without interest, and may be commingled with Lender's general funds. Borrower hereby grants to Lender a security interest in all funds so deposited with Lender for the purpose of securing the Loan. While an Event of Default exists, the funds deposited may be applied in payment of the charges for which such funds have been deposited, or to the payment of the Loan or any other charges affecting the security of Lender, as Lender may elect, but no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender. Borrower shall furnish Lender with bills for the charges for which such deposits are required at least thirty (30) days prior to the date on which the charges first become payable. If at any time the amount on deposit with Lender, together with amounts to be deposited by Borrower before such charges are payable, is insufficient to pay such charges, Borrower shall deposit any deficiency with Lender immediately upon demand. Lender shall pay such charges when the amount on deposit with Lender is sufficient to pay such charges and Lender has received a bill for such charges.

(b) Borrower's obligation to make monthly deposits into the Tax and Insurance Escrow Fund for the insurance required under Section 3.1(a)(i) shall be suspended so long as Tenant pays the Insurance Premiums for the Project

required under the Leases as they become due and payable annually in advance and furnishes to Lender evidence of the renewal of each policy with receipts for the payment of Insurance Premiums or other evidence of such payment reasonably satisfactory to Lender. In the event that Tenant fails to maintain insurance in compliance with this Section 3.4, Lender may obtain such insurance and pay the premium therefor and Borrower shall, on demand, reimburse Lender for all expenses incurred in connection therewith and thereafter, Borrower shall be required to make monthly deposits into the Tax and Insurance Escrow Fund in accordance with subsection (a) above.

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ARTICLE 4
ENVIRONMENTAL MATTERS

Section 4.1 Certain Definitions. As used herein, the following terms have the meanings indicated:

(a) "Environmental Laws" means any federal, state or local law (whether imposed by statute, ordinance, rule, regulation, administrative or judicial order, or common law), now or hereafter enacted, governing health, safety, industrial hygiene, the environment or natural resources, or Hazardous Materials, including, without limitation, such laws governing or regulating (i) the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, release, discharge of, or exposure to, Hazardous Materials, (ii) the transfer of property upon a negative declaration or other approval of a governmental authority of the environmental condition of such property, or (iii) requiring notification or disclosure of releases of Hazardous Materials or other environmental conditions whether or not in connection with a transfer of title to or interest in property.

(b) "Hazardous Materials" means (i) petroleum or chemical products, whether in liquid, solid, or gaseous form, or any fraction or by-product thereof, (ii) asbestos or asbestos-containing materials, (iii) polychlorinated biphenyls (pcbs), (iv) radon gas, (v) underground storage tanks, (vi) any explosive or radioactive substances, (vii) lead or lead-based paint, or (viii) any other substance, material, waste or mixture which is or shall be listed, defined, or otherwise determined by any governmental authority to be hazardous, toxic, dangerous or otherwise regulated, controlled or giving rise to liability under any Environmental Laws.

Section 4.2 Representations and Warranties on Environmental Matters. To Borrower's knowledge, except as set forth in the Site Assessment, (a) no Hazardous Material is now or was formerly used, stored, generated, manufactured, installed, treated, discharged, disposed of or otherwise present at or about the Project or any property adjacent to the Project (except for cleaning and other products currently used in connection with the routine maintenance or repair of the Project in full compliance with Environmental Laws) and no Hazardous Material was removed or transported from the Project, (b) all permits, licenses, approvals and filings required by Environmental Laws have been obtained, and the use, operation and condition of the Project does not, and did not previously, violate any Environmental Laws, (c) no civil, criminal or administrative action, suit, claim, hearing, investigation or proceeding has been brought or been threatened, nor have any settlements been reached by or with any parties or any liens imposed in connection with the Project concerning Hazardous Materials or Environmental Laws; and (d) no underground storage tanks exist on any part of the Project.

Section 4.3 Covenants on Environmental Matters.

(a) Borrower shall (i) comply strictly and in all material respects with applicable Environmental Laws; (ii) notify Lender immediately upon Borrower's discovery of any spill, discharge, release or presence of any Hazardous Material at, upon, under, within, contiguous to or otherwise affecting the Project; (iii) promptly remove such Hazardous Materials and remediate the

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Project in full compliance with Environmental Laws or as reasonably required by Lender based upon the recommendations and specifications of an independent

environmental consultant approved by Lender; and (iv) promptly forward to Lender copies of all orders, notices, permits, applications or other communications and reports in connection with any spill, discharge, release or the presence of any Hazardous Material or any other matters relating to the Environmental Laws or any similar laws or regulations, as they may affect the Project or Borrower.

(b) Borrower shall not cause, shall prohibit any other Person within the control of Borrower from causing, and shall use prudent, commercially reasonable efforts to prohibit other Persons (including tenants) from (i) causing any spill, discharge or release, or the use, storage, generation, manufacture, installation, or disposal, of any Hazardous Materials at, upon, under, within or about the Project or the transportation of any Hazardous Materials to or from the Project (except for cleaning and other products used in connection with routine maintenance or repair of the Project in full compliance with Environmental Laws), (ii) installing any underground storage tanks at the Project, or (iii) conducting any activity that requires a permit or other authorization under Environmental Laws.

(c) Borrower shall provide to Lender, at Borrower's expense promptly upon the written request of Lender from time to time (provided that Lender has a reasonable basis for requesting same), a Site Assessment or, if required by Lender (provided that Lender has a reasonable basis for requiring same), an update to any existing Site Assessment, to assess the presence or absence of any Hazardous Materials and the potential costs in connection with abatement, cleanup or removal of any Hazardous Materials found on, under, at or within the Project. Borrower shall pay the cost of no more than one such Site Assessment or update in any thirty-six (36)-month period, unless Lender's request for a Site Assessment is based on information provided under Section 4.3(a), a reasonable suspicion of Hazardous Materials at or near the Project, a breach of representations under Section 4.2, or an Event of Default, in which case any such Site Assessment or update shall be at Borrower's expense. Borrower shall provide to Lender, at Lender's expense, an updated Site Assessment in the event Lender requests same solely to satisfy the requirements of a securitization of the Loan.

Section 4.4 Allocation of Risks and Indemnity. As between Borrower and Lender, all risk of loss associated with non-compliance with Environmental Laws, or with the presence of any Hazardous Material at, upon, within, contiguous to or otherwise affecting the Project, shall lie solely with Borrower. Accordingly, Borrower shall bear all risks and costs associated with any loss (including any loss in value attributable to Hazardous Materials), damage or liability therefrom, including all costs of removal of Hazardous Materials or other remediation required by Lender or by law. Borrower shall indemnify, defend and hold Lender and its shareholders, directors, officers, employees and agents harmless from and against all loss, liabilities, damages, claims, costs and expenses (including reasonable costs of defense and consultant fees, investigation and laboratory fees, court costs, and other litigation expenses) arising out of or associated, in any way, with (a) the non-compliance with Environmental Laws, or (b) the existence of Hazardous Materials in, on, or about the Project, (c) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to Hazardous Materials; (d) any lawsuit brought or threatened, settlement reached, or government order

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relating to such Hazardous Materials, (e) a breach of any representation, warranty or covenant contained in this Article 4, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, or (f) the imposition of any environmental lien encumbering the Project; provided, however, Borrower shall not be liable under such indemnification to the extent such loss, liability, damage, claim, cost or expense results solely from Lender's gross negligence or willful misconduct. Borrower's obligations under this Section 4.4 shall arise whether or not any governmental authority has taken or threatened any action in connection with the presence of any Hazardous Material, and whether or not the existence of any such Hazardous Material or potential liability on account thereof is disclosed in the Site Assessment and shall continue notwithstanding the repayment of the Loan or any transfer or sale of any right, title and interest in the Project (by foreclosure, deed in lieu of foreclosure or otherwise). Additionally, if any Hazardous Materials affect or threaten to affect the Project, Lender may (but shall not be obligated to) give such notices and take such actions as it deems necessary or advisable at the expense of the Borrower in order to abate the discharge of any Hazardous Materials or remove the Hazardous Materials. Any amounts payable to Lender by reason of the application of this Section 4.4 shall become immediately due and payable and shall bear interest at the Default Rate from the date loss or damage is sustained by Lender until paid. The obligations and liabilities of Borrower under this Section 4.4 shall survive any termination, satisfaction, assignment, entry of a judgment of foreclosure or delivery of a deed in lieu of foreclosure.

Section 4.5 No Waiver. Notwithstanding any provision in this Article 4 or elsewhere in the Loan Documents, or any rights or remedies granted by the Environmental Indemnity Agreement or the Loan Documents, Lender does not waive and expressly reserves all rights and benefits now or hereafter accruing to

Lender under the "security interest" or "secured creditor" exception under applicable Environmental Laws, as the same may be amended. No action taken by Lender pursuant to the Environmental Indemnity Agreement or the Loan Documents shall be deemed or construed to be a waiver or relinquishment of any such rights or benefits under the "security interest exception."

Section 4.6 Lender Cure Rights. If there is a release of Hazardous Materials affecting the Project, whether or not the release originates or emanates from the Project or any contiguous real estate, or if Borrower shall fail to comply with any Environmental Laws, Lender may at its election, but without the obligation to do so, upon three (3) Business Days' notice to Borrower (provided the delay caused by the giving of notice shall not, in Lender's sole opinion, cause substantial damage to the Project), take any and all actions as Lender shall deem necessary or advisable in order to remedy the release of Hazardous Materials or cure said failure of compliance, and any amounts paid by Lender as a result thereof, together with interest thereon at the Default Rate from the date of payment by Lender, shall be immediately due and payable by Borrower to Lender and until paid shall be added to and become part of the Loan and shall have the benefit of the lien created by the Loan Documents.

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ARTICLE 5 LEASING MATTERS

Section 5.1 Representations and Warranties on Leases. Borrower represents and warrants to Lender with respect to leases of the Project that to the best of Borrower's knowledge: (a) the rent roll delivered to Lender is true and correct, and the leases are valid and in and full force and effect; (b) the leases (including amendments) are in writing, and there are no oral agreements with respect thereto; (c) the copies of the leases delivered to Lender are true and complete; (d) neither the landlord nor any tenant is in default under any of the leases; (e) Borrower has no knowledge of any notice of termination or default with respect to any lease; (f) Borrower has not assigned or pledged any of the leases, the rents or any interests therein except to Lender; (g) no tenant or other party has an option to purchase all or any portion of the Project; (h) no tenant has the right to terminate its lease prior to expiration of the stated term of such lease; (i) no tenant has prepaid more than one month's rent in advance (except for bona fide security deposits not in excess of an amount equal to two month's rent); and (j) all existing leases are subordinate to the Mortgage either pursuant to their terms or a recorded subordination agreement.

Section 5.2 Standard Lease Form; Approval Rights. All leases and other rental arrangements in effect on the date hereof have in all respects been approved by Lender. Any lease entered into subsequent to the date hereof shall be on a standard lease form approved by Lender with no modifications (except as approved by Lender, which approval will not be unreasonably withheld or delayed) and which approval shall be deemed given if Lender shall not respond in writing to any executed lease delivered to Lender within ten (10) Business Days of its receipt of all required submittals. Such lease form shall provide that (a) the lease is subordinate to the Mortgage, (b) the tenant shall attorn to Lender, and (c) that any cancellation, surrender, or amendment of such lease without the prior written consent of Lender shall be voidable by Lender. Borrower shall hold, in trust, all tenant security deposits in a segregated account, and, to the extent required by applicable law, shall not commingle any such funds with any other funds of Borrower. Within ten (10) days after Lender's request, Borrower shall furnish to Lender a statement of all tenant security deposits, and copies of all leases not previously delivered to Lender, certified by Borrower as being true and correct. Notwithstanding anything contained in the Loan Documents, Lender's approval shall not be required for future leases or lease extensions if the following conditions are satisfied: (i) there exists no Potential Default or Event of Default; (ii) the lease or lease extension is on the standard lease form approved by Lender with no modifications; (iii) the lease does not conflict with any restrictive covenant affecting the Project or any other lease for space in the Project; and (iv) the lease is in accordance with leasing parameters approved by Lender regarding rent, term, size, and credit rating of tenants. Lender may evaluate potential leases with respect to, among other factors, overall tenant mix, compatibility of intended use with the Project's market niche, cost of tenant improvements, and/or contingency, go dark and lease termination rights. Leases that require the approval of Lender shall be submitted to Lender at least ten (10) Business Days prior to the proposed execution date. All reasonable costs and expenses incurred by Lender in its review and approval of any lease shall be paid by Borrower promptly upon request.

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Section 5.3 Covenants. Borrower (a) shall perform all material

obligations which Borrower is required to perform under the leases; (b) shall enforce the obligations to be performed by the tenants; (c) shall promptly furnish to Lender any notice of default or termination received by Borrower from any tenant, and any notice of default or termination given by Borrower to any tenant; (d) shall not collect any rents for more than thirty (30) days in advance of the time when the same shall become due, except for bona fide security deposits not in excess of an amount equal to two month's rent; (e) shall not enter into any ground lease or master lease of any part of the Project; (f) shall not further assign or encumber any lease; (g) shall not, except with Lender's prior written consent, cancel or accept surrender or termination of any lease except in accordance with the express terms of such lease; (h) shall not, except with Lender's prior written consent, modify or amend any lease (except for minor modifications and amendments entered into in the ordinary course of business, consistent with prudent property management practices, not reducing the rental payable thereunder or otherwise adversely affecting the economic terms of the lease); (i) shall assign to Lender any letter of credit evidencing a security deposit on such terms as may be required by Lender and shall deliver the original of such letter(s) of credit to Lender; (j) with respect to commercial property, shall deposit with Lender any lease termination or cancellation fees which shall be held in the Rollover Escrow Fund; and (k) shall not lease, or permit the use of, any space in the Project as a dry cleaner with an on-site plant. Any action in violation of clauses (e), (f), (g), and (h) of this Section 5.3 shall be void at the election of Lender.

Section 5.4 Tenant Estoppels. At Lender's request, Borrower shall obtain and furnish to Lender, written estoppels in form and substance reasonably satisfactory to Lender, executed by tenants under leases in the Project and confirming the term, rent, and other provisions and matters relating to the leases.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

Borrower represents, warrants and covenants to Lender that:

Section 6.1 Organization, Power and Authority. Borrower and each Borrower Party (a) is duly organized, validly existing and in good standing under the laws of the state of its formation or existence, (b) is in compliance with all legal requirements applicable to doing business in the State, and (c) has the necessary governmental approvals to own and operate the Project and conduct the business now conducted or to be conducted thereon. Borrower has the full power, authority and right to execute, deliver and perform its obligations pursuant to this Loan Agreement and the other Loan Documents, and to mortgage the Project pursuant to the terms of the Mortgage and to keep and observe all of the terms of this Loan Agreement and the other Loan Documents on Borrower's part to be performed. Borrower is not a "foreign person" within the meaning of ss. 1445(f)(3) of the Internal Revenue Code.

Section 6.2 Validity of Loan Documents. The execution, delivery and performance by Borrower and each Borrower Party of the Loan Documents: (a) are duly authorized and do not require the consent or approval of any other party or governmental authority which has not been obtained; and (b) will not violate any law or result in the imposition of any lien, charge or encumbrance upon the assets of any such party, except as contemplated by the Loan Documents. The Loan

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Documents constitute the legal, valid and binding obligations of Borrower and each Borrower Party, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, or similar laws generally affecting the enforcement of creditors' rights.

Section 6.3 Liabilities; Litigation.

(a) The financial statements delivered by Borrower and each Borrower Party are true and correct with no significant change since the date of preparation. Except as disclosed in such financial statements, there are no liabilities (fixed or contingent) affecting the Project, Borrower or any Borrower Party. Except as disclosed in such financial statements, there is no litigation, administrative proceeding, investigation or other legal action (including any proceeding under any state or federal bankruptcy or insolvency law) pending or, to the knowledge of Borrower, threatened, against the Project, Borrower or any Borrower Party which if adversely determined could have a material adverse effect on such party, the Project or the Loan.

(b) Neither Borrower nor any Borrower Party is contemplating either the filing of a petition by it under state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of its assets or property, and neither Borrower nor any Borrower Party has knowledge of any Person contemplating the filing of any such petition against it.

Section 6.4 Taxes and Assessments. The Project is comprised of one or more parcels, each of which constitutes a separate tax lot and none of which

constitutes a portion of any other tax lot. There are no pending or, to Borrower's best knowledge, proposed, special or other assessments for public improvements or otherwise affecting the Project, nor are there any contemplated improvements to the Project that may result in such special or other assessments.

Section 6.5 Other Agreements; Defaults. Neither Borrower nor any Borrower Party is a party to any agreement or instrument or subject to any court order, injunction, permit, or restriction which might adversely affect the Project or the business, operations, or condition (financial or otherwise) of Borrower or any Borrower Party. Neither Borrower nor any Borrower Party is in violation of any agreement which violation would have an adverse effect on the Project, Borrower, or any Borrower Party or Borrower's or any Borrower Party's business, properties, or assets, operations or condition, financial or otherwise.

Section 6.6 Compliance with Law.

(a) Borrower and each Borrower Party have all requisite licenses, permits, franchises, qualifications, certificates of occupancy or other governmental authorizations to own, lease and operate the Project and carry on its business, and to Borrower's knowledge the Project is in compliance with all applicable legal requirements and except as set forth in the property condition report provided to Lender, is free of structural defects, and all building systems contained therein are in good working order, subject to ordinary wear and tear. To Borrower's knowledge, the Project may constitute, in whole, a legally non-conforming use under applicable legal requirements;

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(b) No condemnation has been commenced or, to Borrower's knowledge, is contemplated with respect to all or any portion of the Project or for the relocation of roadways providing access to the Project; and

(c) The Project has adequate rights of access to public ways and is served by adequate water, sewer, sanitary sewer and storm drain facilities. All public utilities necessary or convenient to the full use and enjoyment of the Project are located in the public right-of-way abutting the Project, and all such utilities are connected so as to serve the Project without passing over other property, except to the extent such other property is subject to a perpetual easement for such utility benefiting the Project. All roads necessary for the full utilization of the Project for its current purpose have been completed and dedicated to public use and accepted by all governmental authorities.

Section 6.7 Location of Borrower. Borrower's principal place of business and chief executive offices are located at the address stated in Section 11.1.

Section 6.8 ERISA.

(a) As of the date hereof and throughout the term of the Loan, (i) Borrower is not and will not be an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title I of ERISA, and (ii) the assets of Borrower do not and will not constitute "plan assets" of one or more such plans for purposes of Title I of ERISA; and

(b) As of the date hereof and throughout the term of the Loan (i) Borrower is not and will not be a "governmental plan" within the meaning of Section 3(3) of ERISA and (ii) transactions by or with Borrower are not and will not be subject to state statutes applicable to Borrower regulating investments of and fiduciary obligations with respect to governmental plans.

Section 6.9 Forfeiture. There has not been and shall never be committed by Borrower or any other person in occupancy of or involved with the operation or use of the Project any act or omission affording the federal government or any state or local government the right of forfeiture as against the Project or any part thereof or any monies paid in performance of Borrower's obligations under any of the Loan Documents. Borrower hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture.

Section 6.10 Tax Filings. Borrower and each Borrower Party have filed (or have obtained effective extensions for filing) all federal, state and local tax returns required to be filed and have paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments payable by Borrower and each Borrower Party, respectively. Borrower and each Borrower Party believe that their respective tax returns properly reflect the income and taxes of Borrower and each Borrower Party, respectively, for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

Section 6.11 Solvency. Giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the making of the Loan, exceed Borrower's total liabilities, including, without limitation, subordinated, unliquidated, disputed and contingent liabilities. The fair saleable value of Borrower's assets is and will, immediately following the making of the Loan, be greater than Borrower's probable liabilities, including the maximum amount of its contingent liabilities on its Debts as such Debts become absolute and matured, Borrower's assets do not and, immediately following the making of the Loan 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 of cash to be received by Borrower and the amounts to be payable on or in respect of obligations of Borrower). Except as expressly disclosed to Lender in writing, no petition in bankruptcy has been filed against Borrower or any Borrower Party in the last seven (7) years, and neither Borrower or any Borrower Party in the last seven (7) years has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors.

Section 6.12 Full and Accurate Disclosure. No statement of fact made by or on behalf of Borrower or any Borrower Party in this Agreement or in any of the other Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. There is no 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, the Project or the business, operations or condition (financial or otherwise) of Borrower or any Borrower Party.

Section 6.13 Flood Zone. No portion of the improvements comprising the Project is located in an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Act of 1994, as amended, or any successor law, or, if located within any such area, Borrower has obtained and will maintain the insurance prescribed in Section 3.1 hereof.

Section 6.14 Single Purpose Entity/Separateness. Borrower represents, warrants and covenants as follows:

(a) Borrower has not owned, does not own, and will not own any asset or property other than (i) the Project, and (ii) incidental personal property necessary for the ownership or operation of the Project.

(b) Borrower will not engage in any business other than the ownership, management and operation of the Project and Borrower will conduct and operate its business as presently conducted and operated.

(c) Borrower will not enter into any contract or agreement with any Affiliate of the Borrower, any constituent party of Borrower, or any Affiliate of any constituent party, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any such party.

(d) Borrower has not incurred and will not incur any Debt other than (i) the Loan, (ii) trade and operational debt incurred in the ordinary course of business with trade creditors and in amounts as are normal and reasonable under the circumstances, provided such debt is not evidenced by a note and is paid when due, and (iii) Debt incurred in the financing of equipment and other personal property used on the Project. No indebtedness other than the Loan may be secured (subordinate or pari passu) by the Project.

(e) Borrower has not made and will not make any loans or advances to any third party (including any affiliate or constituent party or any affiliate of any constituent party), and shall not acquire obligations or securities of its affiliates or any constituent party.

(f) Borrower is and will remain solvent and Borrower will pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its own funds and assets as the same shall become due.

(g) Borrower has done or caused to be done and will do all things necessary to observe organizational formalities and preserve its existence, and Borrower will not, nor will Borrower permit any constituent party to materially amend, modify or otherwise change the partnership certificate, partnership agreement, articles of incorporation and bylaws, operating agreement, trust or other organizational documents of Borrower or such constituent party without the prior written consent of Lender.

(h) Borrower will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates and any constituent party and Borrower will file its own tax returns, provided Borrower may file its tax returns on a consolidated basis. Borrower shall maintain its books, records, resolutions and agreements as official records.

(i) Borrower will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate of Borrower, any constituent party of Borrower, or any Affiliate of any constituent party), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, shall not identify itself or any of its Affiliates as a division or part of the other and shall maintain and utilize a separate telephone number, if any, and separate stationery, invoices and checks.

(j) Borrower will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

(k) Neither Borrower nor any constituent party will seek the dissolution, winding up, liquidation, consolidation or merger in whole or in part, of the Borrower.

(l) Borrower will not commingle the funds and other assets of Borrower with those of any Affiliate or constituent party, or any Affiliate of any constituent party, or any other person.

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(m) Borrower has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate or constituent party, or any Affiliate of any constituent party, or any other person.

(n) Borrower does not and will not hold itself out to be responsible for the debts or obligations of any other person.

(o) If Borrower is a limited partnership or a limited liability company, each general partner or managing member (each, an "SPC Party") shall be a limited liability company whose sole asset is its interest in Borrower and each such SPC Party will at all times comply, and will cause Borrower to comply, with each of the representations, warranties, and covenants contained in this Section 6.14 as if such representation, warranty or covenant was made directly by such SPC Party.

Section 6.15 Compliance with Anti-Terrorism Orders.

(a) Borrower and each partner, member or stockholder in Borrower, and all beneficial owners of Borrower and any such partner, member or stockholder, are, to Borrower's actual knowledge, in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the "Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Asset Control, Department of the Treasury ("OFAC") and in any enabling legislation or other Executive Orders in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "Orders"). Borrower agrees to make its policies, procedures and practices regarding compliance with the Orders of any Persons who, pursuant to transfers permitted by the Mortgage, become stockholders, members, partners or other investors of Borrower available to Lender for its review and inspection during normal business hours and upon reasonable prior notice.

(b) Neither Borrower, any partner, member or stockholder in Borrower nor the beneficial owner of Borrower or any such partner, member or stockholder:

- (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "Lists");
- (ii) is a Person who has been determined by competent authority to be subject to the prohibitions contained in the Orders;
- (iii) is owned or controlled by, nor acts for or on behalf of, any Person on the Lists or any other Person who has been determined by competent authority to be subject to the prohibitions contained in the Orders;
- (iv) shall transfer or permit the transfer of any interest in Borrower or any Borrower Party to any Person who is or whose beneficial owners are listed on the Lists; or

(v) shall knowingly lease space in the Project to any Person who is listed on the Lists or who is engaged in illegal activities.

(c) If Borrower obtains knowledge that Borrower or any of its partners, members or stockholders or their beneficial owners become listed on the Lists or are indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, Borrower shall immediately notify Lender.

(d) If Borrower obtains knowledge that any tenant in the Project has become listed on the Lists or is convicted, pleads nolo contendere, indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, Borrower shall immediately notify Lender.

(e) If a tenant at the Project is listed on the Lists or is convicted or pleads nolo contendere to charges related to activity prohibited in the Orders, then proceeds from the rents of such tenant shall not be used to pay Debt Service and Borrower shall provide Lender such representations and verifications as Lender shall reasonably request that such rents are not being so used.

(f) If a tenant at the Project is arrested on such charges, and such charge is not dismissed within thirty (30) days thereafter, Lender may at its option notify Borrower to exclude such rents from the Debt Service payments.

(g) If Borrower or any Borrower Party is listed on the Lists, no earn-out disbursements, escrow disbursements, or other disbursements under the Loan Documents shall be made and all of such funds shall be paid in accordance with the direction of a court of competent jurisdiction.

Section 6.16 Property Specific Representations. The management agreement for the Project is in full force and effect and there is no default or violation by any party thereunder.

ARTICLE 7 FINANCIAL REPORTING

Section 7.1 Financial Statements.

(a) Monthly Reports. Until the Loan is sold in a Secondary Market Transaction, Borrower shall furnish to Lender within fifteen (15) days after the end of each calendar month, a current rent roll and a detailed operating statement (showing monthly activity and year-to-date) stating operating revenues, operating expenses, operating income and net cash flow for the calendar month just ended.

(b) Quarterly Reports. Within forty-five (45) days after the end of each calendar quarter, Borrower shall furnish to Lender a current rent roll and a detailed operating statement (showing quarterly activity and year-to-date) stating operating revenues, operating expenses, operating income and net cash flow for the calendar quarter just ended.

(c) Annual Reports. Within ninety (90) days after the end of each fiscal year of Borrower's operation of the Project, Borrower shall furnish to Lender a current (as of the end of such fiscal year) balance sheet, a detailed operating statement stating operating revenues, operating expenses, operating income and net cash flow for each of Borrower and the Project, and, if required by Lender, prepared on a review basis and certified by an independent public accountant reasonably satisfactory to Lender. Borrower's annual financial statements shall include (i) a list of the tenants, if any, occupying more than twenty percent (20%) of the total floor area of the Project, (ii) a breakdown showing the year in which each lease then in effect expires, and (iii) a breakdown of the percentage of total floor area of the Project and the percentage of base rent with respect to which leases shall expire in each year, each such percentage to be expressed on both a per year and a cumulative basis.

(d) Certification; Supporting Documentation. Each such financial statement shall be in scope and detail reasonably satisfactory to Lender and certified by the chief financial representative of Borrower. With respect to the required annual statements, Lender shall accept such statements with respect to Borrower and the Project as Cedar Income Fund, Ltd. is required to submit to the Securities and Exchange Commission as part of its annual 10-K filings with respect to Borrower and the Project.

Section 7.2 Accounting Principles. All financial statements shall be prepared in accordance with generally accepted accounting principles in the United States of America in effect on the date so indicated and consistently

applied (or such other accounting basis reasonably acceptable for Lender).

Section 7.3 Other Information; Access. Borrower shall deliver to Lender such additional information as may be reasonably requested by Lender regarding Borrower, its subsidiaries, its business, any Borrower Party, and the Project within 30 days after Lender's request therefor. Borrower shall permit Lender to examine such records, books and papers of Borrower which reflect upon its financial condition and the income and expenses of the Project. In the event that Borrower fails to forward the financial statements required in this Article 7 within thirty (30) days after written request, Lender shall have the right to audit such records, books and papers at Borrower's expense.

Section 7.4 Annual Budget. At least thirty (30) days prior to the commencement of each fiscal year, Borrower will provide to Lender its proposed annual operating and capital improvements budget for such fiscal year for review and approval by Lender, which approval shall not be unreasonably withheld or delayed and which shall be deemed granted if Lender shall not respond in writing to such items within thirty (30) days of its receipt thereof.

ARTICLE 8 COVENANTS

Borrower covenants and agrees with Lender as follows:

Section 8.1 Due On Sale and Encumbrance; Transfers of Interests. Without the prior written consent of Lender, neither Borrower nor any other Person having an ownership or beneficial interest in Borrower shall sell, transfer, convey, mortgage, pledge, or assign any interest in the Project or any

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part thereof or further encumber, alienate, grant a Lien or grant any other interest in the Project or any part thereof, whether voluntarily or involuntarily, in violation of the covenants and conditions set forth in the Mortgage.

Section 8.2 Taxes; Utility Charges. Except to the extent sums sufficient to pay all Taxes (defined herein) have been previously deposited with Lender as part of the Tax and Insurance Escrow Fund and subject to Borrower's right to contest in accordance with Section 11.8 hereof, Borrower shall pay before any fine, penalty, interest or cost may be added thereto, and shall not enter into any agreement to defer, any real estate taxes and assessments, franchise taxes and charges, and other governmental charges (the "Taxes") that may become a Lien upon the Project or become payable during the term of the Loan. Borrower's compliance with Section 3.4 of this Agreement relating to impounds for Taxes shall, with respect to payment of such Taxes, be deemed compliance with this Section 8.2. Borrower shall not suffer or permit the joint assessment of the Project with any other real property constituting a separate tax lot or with any other real or personal property. Borrower shall promptly pay, or cause to be paid, for all utility services provided to the Project.

Section 8.3 Control; Management. There shall be no change in the day-to-day control and management of Borrower or Borrower's general partner or managing member other than to an entity owned or controlled by Cedar Income Fund, Ltd. or KIMCO Preferred Investor III, Inc. without the prior written consent of Lender. Borrower shall not terminate, replace or appoint any manager or terminate or amend the management agreement for the Project without Lender's prior written approval, which approval shall not be unreasonably withheld. Any change in ownership or control of the manager shall be cause for Lender to re-approve such manager and management agreement. Each manager shall hold and maintain all necessary licenses, certifications and permits required by law. Borrower shall fully perform all of its covenants, agreements and obligations under the management agreement. The management fee payable under the management agreement shall not exceed four percent (4%) of rental collections.

Section 8.4 Operation; Maintenance; Inspection. Borrower shall observe and comply with all legal requirements applicable to the ownership, use and operation of the Project. Borrower shall maintain the Project in good condition and promptly repair any damage or casualty. Borrower shall permit Lender and its agents, representatives and employees, upon reasonable prior notice to Borrower, to inspect the Project and conduct such environmental and engineering studies as Lender may require, provided such inspections and studies do not materially interfere with the use and operation of the Project.

Section 8.5 Taxes on Security. Borrower shall pay all taxes, charges, filing, registration and recording fees, excises and levies payable with respect to the Note or the Liens created or secured by the Loan Documents, other than income, franchise and doing business taxes imposed on Lender. If there shall be enacted any law (a) deducting the Loan from the value of the Project for the purpose of taxation, (b) affecting any Lien on the Project, or (c) changing existing laws of taxation of mortgages, deeds of trust, security deeds, or debts secured by real property, or changing the manner of collecting any such taxes, Borrower shall promptly pay to Lender, on demand, all taxes, costs and charges for which Lender is or may be liable as a result thereof; however, if such

payment would be prohibited by law or would render the Loan usurious, then instead of collecting such payment, Lender may declare all amounts owing under the Loan Documents to be immediately due and payable.

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Section 8.6 Legal Existence; Name, Etc. Borrower and each SPC Party shall preserve and keep in full force and effect its entity status, franchises, rights and privileges under the laws of the state of its formation, and all qualifications, licenses and permits applicable to the ownership, use and operation of the Project. Neither Borrower nor any general partner or managing member of Borrower shall wind up, liquidate, dissolve, reorganize, merge, or consolidate with or into, or convey, sell, assign, transfer, lease, or otherwise dispose of all or substantially all of its assets, or acquire all or substantially all of the assets of the business of any Person, or permit any subsidiary or Affiliate of Borrower to do so. Borrower shall not change its name, identity, state of formation, or organizational structure, or the location of its chief executive office or principal place of business unless Borrower (a) shall have obtained the prior written consent of Lender to such change, and (b) shall have taken all actions necessary or requested by Lender to file or amend any financing statement or continuation statement to assure perfection and continuation of perfection of security interests under the Loan Documents. The name of Borrower, type of entity, organization number, and state of formation set forth in this Agreement accurately reflect such information as shown on the public record of Borrower's jurisdiction of organization.

Section 8.7 Further Assurances. Borrower shall promptly (a) cure any defects in the execution and delivery of the Loan Documents and the Environmental Indemnity Agreement, and (b) execute and deliver, or cause to be executed and delivered, all such other documents, agreements and instruments as Lender may reasonably request to further evidence and more fully describe the collateral for the Loan, to correct any omissions in the Loan Documents, to perfect, protect or preserve any liens created under any of the Loan Documents and the Environmental Indemnity Agreement, or to make any recordings, file any notices, or obtain any consents, as may be necessary or appropriate in connection therewith. Borrower grants Lender an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Lender under the Loan Documents and the Environmental Indemnity Agreement, at law and in equity, including without limitation such rights and remedies available to Lender pursuant to this Section 8.7.

Section 8.8 Estoppel Certificates. Borrower, within ten (10) days after request, shall furnish to Lender a written statement, duly acknowledged, setting forth the amount due on the Loan, the terms of payment of the Loan, the date to which interest has been paid, whether any offsets or defenses exist against the Loan and, if any are alleged to exist, the nature thereof in detail, and such other matters as Lender reasonably may request.

Section 8.9 Notice of Certain Events. Borrower shall promptly notify Lender of (a) any Potential Default or Event of Default, together with a detailed statement of the steps being taken to cure such Potential Default or Event of Default; (b) any notice of default received by Borrower under other obligations relating to the Project or otherwise material to Borrower's business; and (c) any threatened or pending legal, judicial or regulatory proceedings, including any dispute between Borrower and any governmental authority, affecting Borrower or the Project.

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Section 8.10 Indemnification. Unless caused by the gross negligence or willful misconduct of Lender, Borrower shall protect, defend, indemnify and save harmless Lender its shareholders, directors, officers, employees and agents 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 Lender by reason of (a) ownership of the Mortgage, the Project or any interest therein or receipt of any rents; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Project or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (c) any use, nonuse or condition in, on or about the Project or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (d) performance of any labor or services or the furnishing of any materials or other property in respect of the Project or any part thereof; and (e) 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 this Agreement, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which this Agreement is made. Any amounts payable to Lender by reason of the application of this section shall become immediately due and payable and shall bear interest at the Default Rate from the date loss or damage is sustained by Lender until paid.

Section 8.11 Cooperation. Borrower acknowledges that Lender and its successors and assigns may (a) sell this Agreement, the Mortgage, the Note, the other Loan Documents, and the Environmental Indemnity Agreement, and any and all servicing rights thereto to one or more investors as a whole loan, (b) participate the Loan to one or more investors, (c) deposit this Agreement, the Note, other Loan Documents, and the Environmental Indemnity Agreement with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets, or (d) otherwise sell the Loan or interest therein to investors (the transactions referred to in clauses (a) through (d) are hereinafter each referred to as "Secondary Market Transaction"). Borrower shall cooperate with Lender in effecting any such Secondary Market Transaction and shall cooperate to implement all requirements imposed by any Rating Agency involved in any Secondary Market Transaction. Borrower shall provide such information, legal opinions and documents relating to the Borrower, the Project and any tenants of the Project as Lender may reasonably request in connection with such Secondary Market Transaction at no third-party professional expense unless otherwise required by the Loan Documents. In addition, Borrower shall make available to Lender all information concerning its business and operations that Lender may reasonably request. Lender shall be permitted to share all such information with the investment banking firms, Rating Agencies, accounting firms, law firms and other third-party advisory firms involved with the Loan and the Loan Documents or the applicable Secondary Market Transaction. It is understood that the information provided by Borrower to Lender may ultimately be incorporated into the offering documents for the Secondary Market Transaction and thus various investors may also see some or all of the information. Lender and all of the aforesaid third-party advisors and professional firms shall be entitled to rely on the information supplied by, or on behalf of, Borrower and Borrower indemnifies Lender as to any losses, claims, damages or liabilities that arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in such information or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated in such information or necessary in order to make the statements in such information, or in light of the circumstances under which they were made, not misleading.

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Section 8.12 Payment For Labor and Materials. Subject to Borrower's right to contest in accordance with Section 11.8 hereof, Borrower will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials incurred in connection with the Project and never permit to exist beyond the due date thereof in respect of the Project or any part thereof any Lien, even though inferior to the Liens hereof, and in any event never permit to be created or exist in respect of the Project or any part thereof any other or additional Lien other than the Liens hereof, except for the Permitted Encumbrances (defined in the Mortgage).

Section 8.13 Financial Covenants. Borrower acknowledges that (a) the Joinder attached hereto contains the covenants of Joinder Party (i) to maintain a minimum net worth of \$5,000,000.00 at all times during the term of the Loan, and (ii) to maintain a minimum liquidity of \$1,000,000.00 during the term of the Loan, and (b) a default under such covenants shall be a default under this Agreement.

ARTICLE 9 EVENTS OF DEFAULT

Each of the following shall constitute an Event of Default under the Loan:

Section 9.1 Payments. Borrower's failure to pay any regularly scheduled installment of principal, interest or other amount due under the Loan Documents within five (5) days of (and including) the date when due, or Borrower's failure to pay the Loan at the Maturity Date, whether by acceleration or otherwise.

Section 9.2 Insurance. Borrower's failure to maintain insurance as required under Section 3.1 of this Agreement which failure is not cured within three (3) Business Days of receipt of notice from Lender of such failure.

Section 9.3 Sale, Encumbrance, Etc. The sale, transfer, conveyance, pledge, mortgage or assignment of any part or all of the Project, or any interest therein, or of any interest in Borrower, in violation of the Mortgage.

Section 9.4 Covenants. Borrower's failure to perform or observe any of the agreements and covenants contained in this Agreement or in any of the other Loan Documents (other than payments under Section 9.1, insurance requirements under Section 9.2, transfers and encumbrances under Section 9.3, and the Events of Default described in Sections 9.7 and 9.8 below), and the continuance of such failure for twenty (20) days after notice by Lender to Borrower; however, subject to any shorter period for curing any failure by Borrower as specified in any of the other Loan Documents, Borrower shall have an additional sixty (60) days to cure such failure if (a) such failure does not involve the failure to make payments on a monetary obligation; (b) such failure cannot reasonably be cured within twenty (20) days; (c) Borrower is diligently undertaking to cure

such default; and (d) Borrower has provided Lender with security reasonably satisfactory to Lender against any interruption of payment or impairment of collateral as a result of such continuing failure.

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Section 9.5 Representations and Warranties. Any representation or warranty made in any Loan Document proves to be untrue in any material respect when made or deemed made.

Section 9.6 Other Encumbrances. Any default under any document or instrument, other than the Loan Documents, evidencing or creating a Lien on the Project or any part thereof, not cured within any applicable grace or cure period therein.

Section 9.7 Involuntary Bankruptcy or Other Proceeding. Commencement of an involuntary case or other proceeding against Borrower, any Borrower Party or any other Person having an ownership or security interest in the Project (each, a "Bankruptcy Party") which seeks liquidation, reorganization or other relief with respect to it or its debts or other liabilities under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any of its property, and such involuntary case or other proceeding shall remain undismissed or unstayed for a period of 60 days; or an order for relief against a Bankruptcy Party shall be entered in any such case under the Federal Bankruptcy Code.

Section 9.8 Voluntary Petitions, etc. Commencement by a Bankruptcy Party of a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its Debts or other liabilities under any bankruptcy, insolvency or other similar law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or any of its property, or consent by a Bankruptcy Party 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 the making by a Bankruptcy Party of a general assignment for the benefit of creditors, or the failure by a Bankruptcy Party, or the admission by a Bankruptcy Party in writing of its inability, to pay its debts generally as they become due, or any action by a Bankruptcy Party to authorize or effect any of the foregoing.

Section 9.9 Anti-Terrorism. If Borrower or any Borrower Party is listed on the Lists or is convicted or pleads nolo contendere to charges related to activity prohibited in the Orders, or if Borrower or any Borrower Party is arrested on charges related to activity prohibited in the Orders and such charge is not dismissed within thirty (30) days thereafter.

ARTICLE 10 REMEDIES

Section 10.1 Remedies - Insolvency Events. Upon the occurrence of any Event of Default described in Section 9.7 or 9.8, all amounts due under the Loan Documents immediately shall become due and payable, all without written notice and without presentment, demand, protest, notice of protest or dishonor, notice of intent to accelerate the maturity thereof, notice of acceleration of the maturity thereof, or any other notice of default of any kind, all of which are hereby expressly waived by Borrower; however, if the Bankruptcy Party under Section 9.7 or 9.8 is other than Borrower, then all amounts due under the Loan Documents shall become immediately due and payable at Lender's election, in Lender's sole discretion.

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Section 10.2 Remedies - Other Events. Except as set forth in Section 10.1 above, while any Event of Default exists, Lender may (a) declare the entire Loan to be immediately due and payable without presentment, demand, protest, notice of protest or dishonor, notice of intent to accelerate the maturity thereof, notice of acceleration of the maturity thereof, or other notice of default of any kind, all of which are hereby expressly waived by Borrower, and (b) exercise all rights and remedies therefor under the Loan Documents and at law or in equity.

Section 10.3 Lender's Right to Perform the Obligations. If Borrower shall fail, refuse or neglect to make any payment or perform any act required by the Loan Documents, then while any Event of Default exists, and without notice to or demand upon Borrower and without waiving or releasing any other right, remedy or recourse Lender may have because of such Event of Default, Lender may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Borrower, and shall have the right to enter upon the Project for such purpose and to take all such action thereon and with respect to the Project as it may deem necessary or appropriate. If Lender shall elect to pay any sum due with reference to the Project, Lender may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the

security intended to be created by the Loan Documents, Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. Borrower shall indemnify Lender for all losses, expenses, damages, claims and causes of action, including reasonable attorneys' fees, incurred or accruing by reason of any acts performed by Lender pursuant to the provisions of this Section 10.3. All sums paid by Lender pursuant to this Section 10.3, and all other sums expended by Lender to which it shall be entitled to be indemnified, together with interest thereon at the Default Rate from the date of such payment or expenditure until paid, shall constitute additions to the Loan, shall be secured by the Loan Documents and shall be paid by Borrower to Lender upon demand.

ARTICLE 11
MISCELLANEOUS

Section 11.1 Notices. Any notice required or permitted to be given under this Agreement shall be in writing and either shall be mailed by certified mail, postage prepaid, return receipt requested, or sent by overnight air courier service, or personally delivered to a representative of the receiving party, or sent by telecopy (provided an identical notice is also sent simultaneously by mail, overnight courier, or personal delivery as otherwise provided in this Section 11.1). All such communications shall be mailed, sent or delivered, addressed to the party for whom it is intended at its address set forth below.

If to Borrower: Fairview Plaza Associates, LP
c/o Cedar Income Fund Partnership, L.P.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Leo S. Ullman
Telecopy: (516) 767-6497

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with a copy to: Cedar Income Fund Partnership, L.P.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: General Counsel
Telecopy: (516) 757-6497

If to Lender: General Electric Capital Corporation
c/o GEMSA Loan Services, L.P.
1500 City West Blvd., Suite 200
Houston, Texas 77042-2300
Attention: Portfolio Manager/Access Program
Telecopy: (713) 458-7500

with a copy to: General Electric Capital Corporation
16479 Dallas Parkway, Suite 500
Two Bent Tree Tower
Addison, Texas 75001-2512
Attention: David R. Martindale
Telecopy: (972) 728-7650

Any communication so addressed and mailed shall be deemed to be given on the earliest of (a) when actually delivered, (b) on the first Business Day after deposit with an overnight air courier service, or (c) on the third Business Day after deposit in the United States mail, certified mail, return receipt requested, postage prepaid, in each case to the address of the intended addressee, and any communication so delivered in person shall be deemed to be given when receipted for by, or actually received by Lender or Borrower, as the case may be. If given by telecopy, a notice shall be deemed given and received when the telecopy is transmitted to the party's telecopy number specified above and confirmation of complete receipt is received by the transmitting party during normal business hours (provided an identical notice is also sent simultaneously by certified mail, overnight courier, or personal delivery as otherwise provided in this Section 11.1) or on the next Business Day if not confirmed during normal business hours. Either party may designate a change of address by written notice to the other by giving at least ten (10) days prior written notice of such change of address. Notwithstanding the foregoing, Borrower agrees that any notice given by Borrower to Lender purportedly pursuant to 42 Pa. C.S.A. ss. 8143 shall be given by registered or certified mail, return receipt requested, to the address of Lender specified above, and only to that address, and that such notice shall be deemed to have been received no earlier than the date actually and physically received at such address.

Section 11.2 Amendments and Waivers. No amendment or waiver of any provision of the Environmental Indemnity Agreement and the Loan Documents shall be effective unless in writing and signed by the party against whom enforcement is sought.

Section 11.3 Limitation on Interest. It is the intention of the parties hereto to conform strictly to applicable usury laws. Accordingly, all agreements between Borrower and Lender with respect to the Loan are hereby expressly

limited so that in no event, whether by reason of acceleration of maturity or otherwise, shall the amount paid or agreed to be paid to Lender or charged by Lender for the use, forbearance or detention of the money to be lent hereunder

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or otherwise, exceed the maximum amount allowed by law. If the Loan would be usurious under applicable law (including the laws of the State and the laws of the United States of America), then, notwithstanding anything to the contrary in the Loan Documents: (a) the aggregate of all consideration which constitutes interest under applicable law that is contracted for, taken, reserved, charged or received under the Loan Documents shall under no circumstances exceed the maximum amount of interest allowed by applicable law, and any excess shall be credited on the Note by the holder thereof; and (b) if maturity is accelerated by reason of an election by Lender, or in the event of any prepayment, then any consideration which constitutes interest may never include more than the maximum amount allowed by applicable law. In such case, excess interest, if any, provided for in the Loan Documents or otherwise, to the extent permitted by applicable law, shall be amortized, prorated, allocated and spread from the date of advance until payment in full so that the actual rate of interest is uniform through the term hereof. If such amortization, proration, allocation and spreading is not permitted under applicable law, then such excess interest shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the Note. The terms and provisions of this Section 11.3 shall control and supersede every other provision of the Loan Documents. The Loan Documents are contracts made under and shall be construed in accordance with and governed by the laws of the State, except that if at any time the laws of the United States of America permit Lender to contract for, take, reserve, charge or receive a higher rate of interest than is allowed by the laws of the State (whether such federal laws directly so provide or refer to the law of any state), then such federal laws shall to such extent govern as to the rate of interest which Lender may contract for, take, reserve, charge or receive under the Loan Documents.

Section 11.4 Invalid Provisions. If any provision of any Loan Document or the Environmental Indemnity Agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable; the Environmental Indemnity Agreement and the Loan Documents shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part thereof; the remaining provisions thereof shall remain in full effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom; and in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as a part of such Environmental Indemnity Agreement and such Loan Document a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible to be legal, valid and enforceable.

Section 11.5 Reimbursement of Expenses. Borrower shall pay all reasonable expenses incurred by Lender in connection with the Loan, including reasonable fees and expenses of Lender's attorneys, environmental, engineering and other consultants, and fees, charges or taxes for the recording or filing of Loan Documents. Borrower shall pay all expenses of Lender in connection with the administration of the Loan, including audit costs, inspection fees, settlement of condemnation and casualty awards, premiums for title insurance and endorsements thereto, and Rating Agency fees and expenses in connection with confirmation letters, if required. Borrower shall, upon request, promptly reimburse Lender for all amounts expended, advanced or incurred by Lender to collect the Note, or to enforce the rights of Lender under this Agreement, the Environmental Indemnity Agreement, or any Loan Document, or to defend or assert the rights and claims of Lender under the Environmental Indemnity Agreement or the Loan Documents or with respect to the Project (by litigation or other proceedings), which amounts will include all court costs, reasonable attorneys'

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fees and expenses, fees of auditors and accountants, and investigation expenses as may be incurred by Lender in connection with any such matters (whether or not litigation is instituted), together with interest at the Default Rate on each such amount from the date of disbursement until the date of reimbursement to Lender, all of which shall constitute part of the Loan and shall be secured by the Loan Documents.

Section 11.6 Approvals; Third Parties; Conditions. All approval rights retained or exercised by Lender with respect to leases, contracts, plans, studies and other matters are solely to facilitate Lender's credit underwriting, and shall not be deemed or construed as a determination that Lender has passed on the adequacy thereof for any other purpose and may not be relied upon by Borrower or any other Person. This Agreement is for the sole and exclusive use of Lender and Borrower and may not be enforced, nor relied upon, by any Person other than Lender and Borrower. All conditions of the obligations of Lender hereunder, including the obligation to make advances, are imposed solely and exclusively for the benefit of Lender, its successors and assigns, and no other

Person shall have standing to require satisfaction of such conditions or be entitled to assume that Lender will refuse to make advances in the absence of strict compliance with any or all of such conditions, and no other Person shall, under any circumstances, be deemed to be a beneficiary of such conditions, any and all of which may be freely waived in whole or in part by Lender at any time in Lender's sole discretion.

Section 11.7 Lender Not in Control; No Partnership. None of the covenants or other provisions contained in this Agreement shall, or shall be deemed to, give Lender the right or power to exercise control over the affairs or management of Borrower, the power of Lender being limited to the rights to exercise the remedies referred to in the Environmental Indemnity Agreement or the Loan Documents. The relationship between Borrower and Lender is, and at all times shall remain, solely that of debtor and creditor. No covenant or provision of the Environmental Indemnity Agreement or the Loan Documents is intended, nor shall it be deemed or construed, to create a partnership, joint venture, agency or common interest in profits or income between Lender and Borrower or to create an equity in the Project in Lender. Lender neither undertakes nor assumes any responsibility or duty to Borrower or to any other person with respect to the Project or the Loan, except as expressly provided in the Environmental Indemnity Agreement and the Loan Documents; and notwithstanding any other provision of the Environmental Indemnity Agreement or the Loan Documents: (a) Lender is not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of Borrower or its stockholders, members, or partners and Lender does not intend to ever assume such status; (b) Lender shall in no event be liable for any Debts, expenses or losses incurred or sustained by Borrower; and (c) Lender shall not be deemed responsible for or a participant in any acts, omissions or decisions of Borrower or its stockholders, members, or partners. Lender and Borrower disclaim any intention to create any partnership, joint venture, agency or common interest in profits or income between Lender and Borrower, or to create an equity in the Project in Lender, or any sharing of liabilities, losses, costs or expenses.

Section 11.8 Contest of Certain Claims. Borrower may contest the validity of Taxes or any mechanic's or materialman's lien asserted against the Project so long as (a) Borrower notifies Lender that it intends to contest such Taxes or liens, as applicable, (b) Borrower provides Lender with an indemnity,

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bond or other security reasonably satisfactory to Lender assuring the discharge of Borrower's obligations for such Taxes or liens, as applicable, including interest and penalties, (c) Borrower is diligently contesting the same by appropriate legal proceedings in good faith and at its own expense and concludes such contest prior to the tenth (10th) day preceding the earlier to occur of the Maturity Date or the date on which the Project is scheduled to be sold for non-payment, (d) Borrower promptly upon final determination thereof pays the amount of any such Taxes or liens, as applicable, together with all costs, interest and penalties which may be payable in connection therewith, and (e) notwithstanding the foregoing, Borrower shall immediately upon request of Lender pay any such Taxes or liens, as applicable, notwithstanding such contest if, in the opinion of Lender, the Project or any part thereof or interest therein may be in danger of being sold, forfeited, foreclosed, terminated, canceled or lost. Lender may pay over any cash deposit or part thereof to the claimant entitled thereto at any time when, in the reasonable judgment of Lender, the entitlement of such claimant is established.

Section 11.9 Time of the Essence. Time is of the essence with respect to this Agreement.

Section 11.10 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Lender and Borrower and their respective successors and assigns, provided that neither Borrower nor any other Borrower Party shall, without the prior written consent of Lender, assign any rights, duties or obligations hereunder.

Section 11.11 Renewal, Extension or Rearrangement. All provisions of the Environmental Indemnity Agreement and the Loan Documents shall apply with equal effect to each and all promissory notes and amendments thereof hereinafter executed which in whole or in part represent a renewal, extension, increase or rearrangement of the Loan.

Section 11.12 Waivers. No course of dealing on the part of Lender, its officers, employees, consultants or agents, nor any failure or delay by Lender with respect to exercising any right, power or privilege of Lender under the Environmental Indemnity Agreement and any of the Loan Documents, shall operate as a waiver thereof.

Section 11.13 Cumulative Rights; Joint and Several Liability. Rights and remedies of Lender under the Environmental Indemnity Agreement and the Loan Documents shall be cumulative, and the exercise or partial exercise of any such

right or remedy shall not preclude the exercise of any other right or remedy. If more than one person or entity has executed this Agreement as "Borrower," the obligations of all such persons or entities hereunder shall be joint and several.

Section 11.14 Singular and Plural. Words used in this Agreement, the other Loan Documents, and the Environmental Indemnity Agreement in the singular, where the context so permits, shall be deemed to include the plural and vice versa. The definitions of words in the singular in this Agreement, the other Loan Documents, and the Environmental Indemnity Agreement shall apply to such words when used in the plural where the context so permits and vice versa.

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Section 11.15 Phrases. Except as otherwise expressly provided herein, when used in this Agreement, the other Loan Documents, and the Environmental Indemnity Agreement, the phrase "including" shall mean "including, but not limited to," the phrase "satisfactory to Lender" shall mean "in form and substance satisfactory to Lender in all respects," the phrase "with Lender's consent" or "with Lender's approval" shall mean such consent or approval at Lender's sole discretion, and the phrase "acceptable to Lender" shall mean "acceptable to Lender at Lender's sole discretion."

Section 11.16 Exhibits and Schedules. The exhibits and schedules attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein.

Section 11.17 Titles of Articles, Sections and Subsections. All titles or headings to articles, sections, subsections or other divisions of this Agreement, the other Loan Documents, and the Environmental Indemnity Agreement or the exhibits hereto and thereto are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other content of such articles, sections, subsections or other divisions, such other content being controlling as to the agreement between the parties hereto.

Section 11.18 Promotional Material. Borrower authorizes Lender to issue press releases, advertisements and other promotional materials in connection with Lender's own promotional and marketing activities, including in connection with a Secondary Market Transaction, and such materials may describe the Loan in general terms or in detail and Lender's participation therein in the Loan. All references to Lender contained in any press release, advertisement or promotional material issued by Borrower shall be approved in writing by Lender in advance of issuance.

Section 11.19 Survival. All of the representations, warranties, covenants, and indemnities hereunder (including environmental matters under Article 4), under the indemnification provisions of the other Loan Documents and under the Environmental Indemnity Agreement, shall survive the repayment in full of the Loan and the release of the liens evidencing or securing the Loan, and shall survive the transfer (by sale, foreclosure, conveyance in lieu of foreclosure or otherwise) of any or all right, title and interest in and to the Project to any party, whether or not an Affiliate of Borrower.

Section 11.20 Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY LAW, BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR THE ENVIRONMENTAL INDEMNITY AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF EITHER PARTY OR ANY EXERCISE BY ANY PARTY OF THEIR RESPECTIVE RIGHTS UNDER THE LOAN DOCUMENTS AND THE ENVIRONMENTAL INDEMNITY AGREEMENT OR IN ANY WAY RELATING TO THE LOAN OR THE PROJECT (INCLUDING, WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS AGREEMENT, AND ANY CLAIM OR DEFENSE ASSERTING THAT THIS AGREEMENT WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER THIS AGREEMENT.

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Section 11.21 Waiver of Punitive or Consequential Damages. Neither Lender nor Borrower shall be responsible or liable to the other or to any other Person for any punitive, exemplary or consequential damages which may be alleged as a result of the Loan or the transaction contemplated hereby, including any breach or other default by any party hereto.

Section 11.22 Governing Law. The Loan Documents and the Environmental Indemnity Agreement shall be governed by and construed in accordance with the laws of the State and the applicable laws of the United States of America.

Section 11.23 Entire Agreement. This Agreement, the other Loan Documents and the Environmental Indemnity Agreement embody the entire agreement and understanding between Lender and Borrower and supersede all prior agreements and understandings between such parties relating to the subject matter hereof

and thereof. Accordingly, the Loan Documents and the Environmental Indemnity Agreement may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. If any conflict or inconsistency exists between the Commitment and this Agreement, any of the other Loan Documents, or the Environmental Indemnity Agreement, the terms of this Agreement, the other Loan Documents, and the Environmental Indemnity Agreement shall control.

Section 11.24 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document.

ARTICLE 12
LIMITATIONS ON LIABILITY

Section 12.1 Limitation on Liability. Except as provided below, Borrower shall not be personally liable for amounts due under the Loan Documents. Borrower shall be personally liable to Lender for any deficiency, loss or damage suffered by Lender because of: (a) Borrower's commission of a criminal act; (b) the failure to comply with provisions of the Loan Documents prohibiting the sale, transfer or encumbrance of the Project, any other collateral, or any direct or indirect ownership interest in Borrower; (c) the misapplication by Borrower or any Borrower Party of any funds derived from the Project, including security deposits, insurance proceeds and condemnation awards in violation of this Agreement or any of the other Loan Documents; (d) the fraud or intentional misrepresentation by Borrower or any Borrower Party made in or in connection with the Loan Documents or the Loan; (e) Borrower's collection of rents more than one month in advance or entering into or modifying leases, or receipt of monies by Borrower or any Borrower Party in connection with the modification of any leases, in violation of this Agreement or any of the other Loan Documents; (f) Borrower's failure to apply proceeds of rents or any other payments in respect of the leases and other income of the Project or any other collateral when received to the costs, then due, of maintenance and operation of the Project and to the payment of taxes, lien claims, insurance premiums, Debt Service, the Funds, and other amounts due under the Loan Documents to the extent

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the Loan Documents require such proceeds to be then so applied; (g) Borrower's wrongful interference with Lender's exercise of rights under the Assignment of Leases and Rents; (h) Borrower's failure to maintain insurance as required by this Agreement; (i) waste to the Project caused by the acts or omissions of Borrower, its agents, employees, or contractors; (j) Borrower's obligations with respect to environmental matters under Article 4; (k) Borrower's failure to pay for any loss, liability or expense (including attorneys' fees) incurred by Lender arising out of any claim or allegation made by Borrower, its successors or assigns, or any creditor of Borrower, that this Agreement or the transactions contemplated by the Loan Documents and the Environmental Indemnity Agreement establishes a joint venture, partnership or other similar arrangement between Borrower and Lender; (l) any brokerage commission or finder's fees claimed in connection with the transactions contemplated by the Loan Documents; (m) uninsured damage to the Project resulting from acts of terrorism; or (n) the filing by Borrower or any Borrower Party, or the filing against Borrower, of a petition under the United States Bankruptcy Code or similar state insolvency laws. Nothing herein shall be deemed to be a waiver of any right which Lender may have under Sections 506(a), 506(b), 1111(b) or any other provision of the United States Bankruptcy Code, to file a claim for the full amount due to Lender under the Loan Documents or to require that all collateral shall continue to secure the amounts due under the Loan Documents.

Section 12.2 Limitation on Liability of Lender's Officers, Employees, etc. Any obligation or liability whatsoever of Lender which may arise at any time under this Agreement, any other Loan Document, or the Environmental Indemnity Agreement shall be satisfied, if at all, out of the Lender's assets only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of any of Lender's shareholders, directors, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

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EXECUTED under seal as of the date first written above.

LENDER: GENERAL ELECTRIC CAPITAL CORPORATION,
a Delaware corporation

By: _____
David R. Martindale, Managing Director

[SEAL]

BORROWER: FAIRVIEW PLAZA ASSOCIATES, L.P,
a Delaware limited partnership

By: CIF-FAIRVIEW PLAZA ASSOCIATES, LLC,
a Delaware limited liability company,
its General Partner

By: CEDAR INCOME FUND PARTNERSHIP,
L.P., a Delaware limited partnership,
Sole and Managing Member

By: CEDAR INCOME FUND, LTD.,
a Maryland Real Estate Investment
Trust, its General Partner

By: _____
Leo S. Ullman, President

[SEAL]

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JOINDER

By executing this Joinder (the "Joinder"), the undersigned ("Joinder Parties") jointly and severally guaranty the performance by Borrower of all obligations and liabilities for which Borrower is personally liable under Section 12.1 of this Agreement. This Joinder is a guaranty of full and complete payment and performance and not of collectability.

1. Waivers. To the fullest extent permitted by applicable law, each Joinder Party waives all rights and defenses of sureties, guarantors, accommodation parties and/or co-makers and agrees that its obligations under this Joinder shall be primary, absolute and unconditional, and that its obligations under this Joinder shall be unaffected by any of such rights or defenses, including:

a. the unenforceability of any Loan Document against Borrower and/or any other Joinder Party;

b. any release or other action or inaction taken by Lender with respect to the collateral, the Loan, Borrower and/or other Joinder Party, whether or not the same may impair or destroy any subrogation rights of any Joinder Party, or constitute a legal or equitable discharge of any surety or indemnitor;

c. the existence of any collateral or other security for the Loan, and any requirement that Lender pursue any of such collateral or other security, or pursue any remedies it may have against Borrower and/or any other Joinder Party;

d. any requirement that Lender provide notice to or obtain a Joinder Party's consent to any modification, increase, extension or other amendment of the Loan, including the guaranteed obligations;

e. any right of subrogation (until payment in full of the Loan, including the guaranteed obligations, and the expiration of any applicable preference period and statute of limitations for fraudulent conveyance claims);

f. any defense based on any statute of limitations;

g. any payment by Borrower to Lender if such payment is held to be a preference or fraudulent conveyance under bankruptcy laws or Lender is otherwise required to refund such payment to Borrower or any other party; and

h. any voluntary or involuntary bankruptcy, receivership, insolvency, reorganization or similar proceeding affecting Borrower or any of its assets.

2. Agreements. Each Joinder Party further represents, warrants and agrees that:

a. The obligations under this Joinder are enforceable against each such party and are not subject to any defenses, offsets or counterclaims;

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b. The provisions of this Joinder are for the benefit of Lender and its successors and assigns;

c. Lender shall have the right to (i) renew, modify, extend or accelerate the Loan, (ii) pursue some or all of its remedies against Borrower or any Joinder Party, (iii) add, release or substitute any collateral for the Loan or party obligated thereunder, and (iv) release Borrower or any Joinder Party from liability, all without notice to or consent of any Joinder Party (or other Joinder Party) and without affecting the obligations of any Joinder Party (or other Joinder Party) hereunder;

d. Each Joinder Party covenants and agrees to furnish to Lender, within ninety (90) days after the end of each fiscal year of such Joinder Party, a current (as of the end of such fiscal year) balance sheet of such Joinder Party, in scope and detail reasonably satisfactory to Lender, certified by the chief financial representative of such Joinder Party and, if required by Lender, prepared on a review basis and certified by an independent public accountant reasonably satisfactory to Lender, provided, however, that Lender hereby agrees that the financial statements required to be included by such Joinder Party in its annual 10-K filing required to be submitted to the Securities and Exchange Commission shall be accepted by the Lender; and

e. To the maximum extent permitted by law, each Joinder Party hereby knowingly, voluntarily and intentionally waives the right to a trial by jury in respect of any litigation based hereon. This waiver is a material inducement to Lender to enter into this Agreement.

3. Financial Covenants. Joinder Party shall (i) maintain a minimum net worth of \$5,000,000.00 at all times during the term of the Loan and (ii) maintain a minimum liquidity of \$1,000,000.00 during the term of the Loan. A default under such covenants shall be a default under this Agreement.

This Joinder shall be governed by the laws of the State.

Executed as of January __, 2003.

JOINDER PARTY: CEDAR INCOME FUND, LTD.,
a Maryland real estate investment trust

By: _____

Leo S. Ullman, President

[SEAL]

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EXHIBIT A

Legal Description

ALL THAT CERTAIN lot of land situate in the Township of Fairview, County of York and Commonwealth of Pennsylvania, bounded and described according to an ALTA/ACSM Survey by J. Michael Brill Associates, Inc., James C. Hockenberry, PLS, Job No. 926-C dated October 25, 2002, as follows:

BEGINNING AT A POINT at lands now or formerly Susquehanna Area Regional Airport Authority; said point being the southeastern corner of herein described parcel; thence by said lands North 74 degrees 26 minutes 00 seconds West a distance of 618.88 feet to a point on the eastern right-of-way line of New York Road (SR 1003); thence by said right-of-way line by a curve to the left having a radius of 1356.91 feet and an arc distance of 329.61 feet the chord of said curve being North 17 degrees 49 minutes 40 seconds East a distance of 328.80 feet (Deed 329.46 feet) to a point at lands now or formerly Venture Quest Development Inc.; thence by said lands South 84 degrees 49 minutes 57 seconds East a distance of 198.83 feet (Deed 198.84 feet) to a point; thence by same North 57 degrees 40 minutes 03 seconds East a distance of 347.78 feet to an iron pipe; thence by same South 53 degrees 40 minutes 00 seconds East a distance of 214.38 feet to an iron pin at lands nor or formerly Housing Authority of City of York; thence by said lands South 18 degrees 00 minutes 18 seconds West a distance of 546.96 feet to a point, the ping of BEGINNING.

CONTAINING 6.7391 Acres.

TOGETHER WITH the rights for installation, maintenance and repair of a 30 inch storm drain pipe as set forth in Agreement dated October 2, 1990 recorded in Deed Book 107-U, Page 977.

TOGETHER WITH AND UNDER AND SUBJECT TO rights of joint access over shared driveway as contained in Agreement Venture Quest Development, Inc., _____, 2002, and recorded _____, 2002.

SCHEDULE I

DEFEASANCE

1. In accordance with Section 2.3 of the Loan Agreement, Borrower may obtain the release of the Project from the lien of the Mortgage upon the satisfaction of the following conditions precedent:

(a) not less than thirty (30) days prior written notice to Lender specifying a regularly scheduled payment date (the "Release Date") on which the Defeasance Deposit (hereinafter defined) is to be made;

(b) the payment to Lender of interest accrued and unpaid on the principal balance of the Note to and including the Release Date;

(c) the payment to Lender of all other sums, not including scheduled interest or principal payments, due under the Note, the Mortgage, the Assignment of Leases and Rents, and the other Loan Documents;

(d) the payment to Lender of the Defeasance Deposit and a \$5,000 non-refundable processing fee;

(e) the delivery by Borrower to Lender of:

- i) a security agreement in form and substance satisfactory to Lender, creating a first priority lien on the Defeasance Deposit and the U.S. Obligations (hereinafter defined) purchased on behalf of Borrower with the Defeasance Deposit in accordance with this Schedule I (the "Security Agreement");
- ii) a release of the Project from the lien of the Mortgage (for execution by Lender) in a form appropriate for the jurisdiction in which the Project is located;
- iii) an officer's certificate of Borrower certifying that the requirements set forth in this paragraph (e) have been satisfied;
- iv) an opinion of counsel for Borrower in form satisfactory to Lender stating, among other things, that Lender has a perfected first priority security interest in the Defeasance Deposit and the U.S. Obligations purchased by or on behalf of Borrower and pledged to Lender;

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- v) evidence in writing from the applicable Rating Agencies to the effect that such release will not result in a qualification, downgrade or withdrawal of any rating in effect immediately prior to such defeasance for any securities issued in connection with a Secondary Market Transaction; and
- vi) such other certificates, documents or instruments as Lender may reasonably request.

(f) if the Loan has been sold in a Secondary Market Transaction, Lender shall have received an opinion of counsel acceptable to Lender in form satisfactory to Lender stating, among other things, that the substitution of collateral shall not cause the holder of the Loan to fail to maintain its status as a real estate mortgage investment conduit (REMIC); and

(g) Lender shall have received a certificate from a nationally recognized independent certified public accountant acceptable to Lender, in form and substance satisfactory to Lender, certifying that the U.S. Obligations purchased with the Defeasance Deposit are expected to generate sufficient sums to satisfy the obligations of Borrower under the Note and this Schedule I as and when such obligations become due.

In connection with the conditions set forth above, Borrower hereby appoints Lender as its agent and attorney-in-fact for the purpose of using the Defeasance Deposit to purchase or cause to be purchased U.S. Obligations which provide payments on or prior to, but as close as possible to, all successive

scheduled payment dates after the Release Date upon which interest and principal payments are required under the Note (including the amounts due on the Maturity Date) and in amounts equal to the scheduled payments due on such dates under the Note plus Lender's estimate of administrative expenses and applicable federal income taxes associated with or to be incurred by the Successor Borrower during the remaining term of, and applicable to, the Loan (the "Scheduled Defeasance Payments"). Borrower, pursuant to the Security Agreement or other appropriate document, shall authorize and direct that the payments received from the U.S. Obligations may be made directly to Lender and applied to satisfy the obligations of Borrower under the Note and this Schedule I.

2. Upon compliance with the requirements of this Schedule I, the Project shall be released from the lien of the Mortgage and the pledged U.S. Obligations shall be the sole source of collateral securing the Note. Any portion of the Defeasance Deposit in excess of the amount necessary to purchase the U.S. Obligations required by the preceding paragraph and to otherwise satisfy the Borrower's obligations under this Schedule I shall be remitted to Borrower with the release of the Project from the lien of the Mortgage. In connection with such release, a successor entity meeting Lender's Single Purpose Entity criteria, adjusted, as applicable, for the Defeasance contemplated by this Schedule (the "Successor Borrower"), shall be established by Borrower subject to Lender's approval (or at Lender's option, by Lender) and Borrower shall transfer and assign all obligations, rights and duties under and to the Note together with the pledged U.S. Obligations to such Successor Borrower pursuant to an assignment and assumption agreement in form and substance

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satisfactory to Lender (the "Assignment Agreement"). Such Successor Borrower shall assume the obligations under the Note and the Security Agreement and Borrower shall be relieved of its obligations thereunder, except that Borrower shall be required to perform its obligations pursuant to this Schedule I, including maintenance of the Successor Borrower, if applicable. Borrower shall pay \$1,000.00 to any such Successor Borrower as consideration for assuming the obligations under the Note and the Security Agreement pursuant to the Assignment Agreement. Notwithstanding anything in the Mortgage to the contrary, no other assumption fee shall be payable upon a transfer of the Note in accordance with this paragraph, but Borrower shall pay all costs and expenses incurred by Lender in connection with this Schedule, including Lender's reasonable attorneys' fees and expenses, cost and expenses in obtaining review and confirmation by the applicable Rating Agencies as required herein, and any administrative and tax expenses associated with or incurred by the Successor Borrower.

3. For purposes of this Schedule I, the following terms shall have the following meanings:

(a) The term "Defeasance Deposit" shall mean an amount equal to the remaining principal amount of the Note, the Yield Maintenance Amount, any costs and expenses incurred or to be incurred in the purchase of U.S. Obligations necessary to meet the Scheduled Defeasance Payments (including Lender's estimate of administrative expenses and applicable federal income taxes associated with or to be incurred by the Successor Borrower during the remaining term of, and applicable to, the Loan) and any revenue, documentary stamp or intangible taxes or any other tax or charge due in connection with the transfer of the Note or otherwise required to accomplish the agreements of this Schedule I.

(b) The term "Yield Maintenance Amount" shall mean the amount (if any) which, when added to the remaining principal amount of the Note, will be sufficient to purchase U.S. Obligations providing the required Scheduled Defeasance Payments; and

(c) The term "U.S. Obligations" shall be as defined in the REMIC regulations, specifically, Treasury Regulation ss. 1.860G-2(a)(8)(i).

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FAIRVIEW PLAZA ASSOCIATES, L.P.

(Borrower)

to

GENERAL ELECTRIC CAPITAL CORPORATION

(Lender)

ASSIGNMENT OF LEASES AND RENTS

Dated as of January __, 2003

Property Location: New Cumberland, Pennsylvania

DOCUMENT PREPARED BY AND WHEN RECORDED, RETURN TO:

Andrews & Kurth L.L.P.
1717 Main Street, Suite 3700
Dallas, Texas 75201
Attention: Charles T. Marshall, Esq.

ASSIGNMENT OF LEASES AND RENTS

This Assignment of Leases and Rents (this "Agreement") is executed as of January __, 2003 by FAIRVIEW PLAZA ASSOCIATES, L.P., a Delaware limited partnership, whose address for notice is c/o Cedar Income Fund Properties, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, Attention: Brenda J. Walker ("Borrower"), to GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation, whose address for notice is c/o GEMSA Loan Services, L.P., 1500 City West Blvd., Suite 200, Houston, Texas 77042-2300, Attention: Portfolio Manager/Access Program ("Lender").

AGREEMENT:

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender agree as follows:

1. Absolute Assignment. Borrower unconditionally and absolutely assigns to Lender all of Borrower's right, title and interest in and to: (a) all leases, subleases, occupancy agreements, licenses, concessions, rental contracts and other agreements (written or oral) now or hereafter existing relating to the use or occupancy of the project located on the real property described in Exhibit A hereto (the "Property"), together with all guarantees, letters of credit and other credit support, modifications, extensions and renewals thereof (whether before or after the filing by or against Borrower of any petition of relief under 11 U.S.C. ss. 101 et seq., as same may be amended from time to time [the "Bankruptcy Code"]), and all related security and other deposits (collectively, the "Leases"); (b) all rents, revenues, issues, profits, income and proceeds due or to become due from tenants of the Property, including rentals and all other payments of any kind under the Leases for using, leasing, licensing, possessing, operating from, rendering in, selling or otherwise enjoying the Property (collectively, the "Rents"); (c) all of Borrower's claims and rights (the "Bankruptcy Claims") to the payment of damages arising from any rejection by a lessee of any Lease under the Bankruptcy Code; and (d) any and all other rights of Borrower in and to the items set forth in subsections (a) through (c) above, and all amendments, modifications, replacements, renewals, proceeds and substitutions thereof. This Agreement is an absolute assignment to Lender and not an assignment as security for the performance of the obligations under the Loan Documents (defined below), or any other indebtedness.

2. Rights of Lender. Subject to the provisions of Section 6 below, Lender shall have the right, power and authority to: (a) notify any person that the Leases have been assigned to Lender and that all Rents are to be paid directly to Lender, whether or not Lender has commenced or completed foreclosure or taken possession of the Property; (b) settle, compromise, release, extend the

time of payment of, and make allowances, adjustments and discounts of any Rents or other obligations under the Leases; (c) enforce payment of Rents and other rights under the Leases, prosecute any action or proceeding, and defend against any claim with respect to Rents and Leases; (d) enter upon, take possession of

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and operate the Property; (e) lease all or any part of the Property; and/or (f) perform any and all obligations of Borrower under the Leases and exercise any and all rights of Borrower therein contained to the full extent of Borrower's rights and obligations thereunder, with or without the bringing of any action or the appointment of a receiver. At Lender's request, Borrower shall deliver a copy of this Agreement to each tenant under a Lease and to each manager and managing agent or operator of the Property. Borrower irrevocably directs any tenant, manager, managing agent, or operator of the Property, without any requirement for notice to or consent by Borrower, to comply with all demands of Lender under this Agreement and to turn over to Lender on demand all Rents which it receives.

3. No Obligation or Liability. Notwithstanding Lender's rights hereunder, Lender shall not be obligated to perform, and Lender does not undertake to perform, any obligation, duty or liability with respect to the Leases, Rents or Property on account of this Agreement. Lender shall have no responsibility on account of this Agreement for the control, care, maintenance or repair of the Property, for any waste committed on the Property, for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property. Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to let the Property after an Event of Default (as defined in the Loan Agreement) or from any other act or omission of Lender in managing the Property after an Event of Default. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession" in the absence of the taking of actual possession of the Property by Lender. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Borrower.

4. Right to Apply Rents. Lender shall have the right, but not the obligation, to use and apply any Rents received hereunder in such order and such manner as Lender may determine for:

(a) Enforcement or Defense. The payment of costs and expenses of enforcing or defending the terms of this Agreement or the rights of Lender hereunder, and collecting any Rents;

(b) Loan Payments. Interest, principal or other amounts payable pursuant to (i) the Loan Agreement of even date between Lender and Borrower (the "Loan Agreement"); (ii) the Promissory Note of even date herewith in the stated principal amount of \$6,080,000.00, executed by Borrower, bearing interest and being payable to the order of Lender (the "Note"); (iii) the Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, of even date, executed by Borrower for the benefit of Lender and relating to the Property (the "Mortgage"); and all other documents and instruments evidencing, governing and securing the loan evidenced by the Note (the "Loan") and (iv) any and all modifications, amendments or extensions thereof or replacements or substitutions therefor (the Loan Agreement, the Note, the Mortgage, such other documents and instruments, and such modifications, amendments, extensions, replacements, and substitutions thereof being herein collectively called the "Loan Documents"); and

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(c) Operating Expenses. Payment of costs and expenses of the operation and maintenance of the Property, including (i) rentals and other charges payable by Borrower under any ground lease or other agreement affecting the Property; (ii) electricity, telephone, water and other utility costs, taxes, assessments, water charges and sewer rents and other utility and governmental charges levied, assessed or imposed against the Property; (iii) insurance premiums; (iv) costs and expenses with respect to any litigation affecting the Property, the Leases or the Rents; (v) wages and salaries of employees, commissions of agents and attorneys' fees and expenses; and (vi) all other carrying costs, fees, charges, reserves, and expenses whatsoever relating to the Property.

After the payment of all such costs and expenses and after Lender has established such reserves as it, in its sole and absolute discretion, deems necessary for the proper management of the Property, Lender shall apply all remaining Rents received by it to the reduction of the Loan.

5. No Waiver. The exercise or nonexercise by Lender of the rights granted in this Agreement or the collection and application of Rents by Lender or its agent shall not be a waiver of any default by Borrower under this Agreement or any other Loan Document. No action or failure to act by Lender with

respect to any obligations of Borrower under the Loan Documents, or any security or guaranty given for the payment or performance thereof, shall in any manner affect, impair or prejudice any of Lender's rights and privileges under this Agreement, or discharge, release or modify any of Borrower's duties or obligations hereunder.

6. Revocable License. Notwithstanding that this Agreement is an absolute assignment of the Rents and Leases and not merely the collateral assignment of, or the grant of a lien or security interest in the Rents and Leases, Lender grants to Borrower a revocable license to collect and receive the Rents and to retain, use and enjoy such Rents. Such license may be revoked by Lender upon the occurrence of any Event of Default and Lender shall immediately be entitled to receive and apply all Rents, whether or not Lender enters upon and takes control of the Property. Prior to such revocation, Borrower shall apply any Rents which it receives to the payment of debt service on the Note and other payments due under the Loan Agreement, taxes, assessments, water charges, sewer rents and other governmental charges levied, assessed or imposed against the Property, insurance premiums, operation and maintenance charges relating to the Property, and other obligations of lessor under the Leases before using such proceeds for any other purpose. Lender is hereby granted and assigned by Borrower the right, at its option, upon the revocation of the license granted herein to enter upon the Property in person, by agent or by court-appointed receiver to collect the Rents. Any Rents collected after the revocation of the license herein granted may be applied toward payment of the Indebtedness in such priority and proportion as Lender, in its discretion, shall deem proper.

7. Term. This Agreement shall continue in full force and effect until (a) all amounts due under the Loan Documents are paid in full, and (b) all other obligations of Borrower under the Loan Documents are fully satisfied.

8. Appointment. Borrower irrevocably appoints Lender its true and lawful attorney in fact, which appointment is coupled with an interest, to execute any or all of the rights or powers described herein with the same force

Page 4

and effect as if executed by Borrower, and Borrower ratifies and confirms any and all acts done or omitted to be done by Lender, its agents, servants, employees or attorneys in, to or about the Property.

9. Liability of Lender. Lender shall not in any way be liable to Borrower for any action or inaction of Lender, its employees or agents under this Agreement.

10. Indemnification. Borrower shall indemnify, defend and hold harmless Lender from and against all liability, loss, damage, cost or expense which it may incur under this Agreement or under any of the Leases, including any claim against Lender by reason of any alleged obligation, undertaking, action, or inaction on its part to perform or discharge any terms, covenants or conditions of the Leases or with respect to Rents, and including attorneys' fees and expenses, but excluding any claim to the extent caused by Lender's gross negligence or willful misconduct. Any amount covered by this indemnity shall be payable on demand, and shall bear interest from the date of demand until the same is paid by Borrower to Lender at a rate equal to the Default Rate (as defined in the Loan Agreement).

11. Modification. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of such change is sought.

12. Bankruptcy.

(a) Upon or at any time after the occurrence of a Event of Default, Lender shall have the right to proceed in its own name or in the name of Borrower in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the lessee under such Lease under the Bankruptcy Code.

(b) If there shall be filed by or against Borrower a petition under the Bankruptcy Code, and Borrower, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender not less than ten (10) days' prior notice of the date on which Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender shall have the right, but not the obligation, to serve upon Borrower within such ten-day period a notice stating that (i) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (ii) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender serves upon Borrower the notice described in the preceding sentence, Borrower shall not seek to reject the Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by Lender of the covenant provided for in

clause (ii) of the preceding sentence.

13. Authority. Borrower represents and warrants that it has full power and authority to execute and deliver this Agreement and the execution and delivery of this Agreement has been duly authorized and does not conflict with

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or constitute a default under any law, judicial order or other agreement affecting Borrower or the Property.

14. Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

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

16. Notices. Any notice required or permitted to be given under this Agreement shall be (a) in writing, (b) sent in the manner set forth in the Loan Agreement, and (c) effective in accordance with the terms of the Loan Agreement.

17. Successors and Assigns. This Agreement shall inure to the benefit of Lender and its successors and assigns and shall be binding on Borrower and its successors and assigns.

18. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State where the Property is located and the applicable laws of the United States of America.

19. Conflict. If any conflict or inconsistency exists between the absolute assignment of the Rents and the Leases in this Agreement and the assignment of the Rents and Leases as security in the Mortgage, the terms of this Agreement shall control.

20. Limitation on Liability. Borrower's liability hereunder is subject to the limitation on liability provisions of Article 12 of the Loan Agreement.

21. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document.

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EXECUTED under seal as of the date first written above.

BORROWER: FAIRVIEW PLAZA ASSOCIATES, L.P,
a Delaware limited partnership

By: CIF-FAIRVIEW PLAZA ASSOCIATES, LLC,
a Delaware limited liability company,
its General Partner

By: CEDAR INCOME FUND PARTNERSHIP, L.P.,
a Delaware limited partnership,
Sole and Managing Member

By: CEDAR INCOME FUND, LTD.,
a Maryland Real Estate Investment
Trust, its General Partner

By: _____
Leo S. Ullman, President

[SEAL]

I certify that the address of the within named Mortgagee is:

c/o GEMSA Capital Services, L.P.
1500 City West Blvd., Suite 200
Houston, Texas 77042-2300

By: _____
Agent for Mortgagee

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF _____)

On this, the ____ day of January, 2003, before me, the subscriber, a Notary Public in and for the Commonwealth and County aforesaid, personally appeared LEO S. ULLMAN who acknowledged herself to be the President of CEDAR INCOME FUND, LTD., a Maryland real estate investment trust and General Partner of CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership and Sole Managing Member of CIF-FAIRVIEW PLAZA ASSOCIATES, LLC, a Delaware limited liability company and General Partner FAIRVIEW PLAZA ASSOCIATES, L.P., a Delaware limited partnership, of who I am satisfied is the person who signed the within instrument and who acknowledged that she executed same as such on behalf of said FAIRVIEW PLAZA ASSOCIATES, L.P., being authorized to do so, and that the within instrument is the voluntary act and deed of such FAIRVIEW PLAZA ASSOCIATES, L.P.

WITNESS my hand and seal the day and year aforesaid.

Notary Public
My commission Expires:_____

EXHIBIT A

Legal Description

ALL THAT CERTAIN lot of land situate in the Township of Fairview, County of York and Commonwealth of Pennsylvania, bounded and described according to an ALTA/ACSM Survey by J. Michael Brill Associates, Inc., James C. Hockenberry, PLS, Job No. 926-C dated October 25, 2002, as follows:

BEGINNING AT A POINT at lands now or formerly Susquehanna Area Regional Airport Authority; said point being the southeastern corner of herein described parcel; thence by said lands North 74 degrees 26 minutes 00 seconds West a distance of 618.88 feet to a point on the eastern right-of-way line of New York Road (SR 1003); thence by said right-of-way line by a curve to the left having a radius of 1356.91 feet and an arc distance of 329.61 feet the chord of said curve being North 17 degrees 49 minutes 40 seconds East a distance of 328.80 feet (Deed 329.46 feet) to a point at lands now or formerly Venture Quest Development Inc.; thence by said lands South 84 degrees 49 minutes 57 seconds East a distance of 198.83 feet (Deed 198.84 feet) to a point; thence by same North 57 degrees 40 minutes 03 seconds East a distance of 347.78 feet to an iron pipe; thence by same South 53 degrees 40 minutes 00 seconds East a distance of 214.38 feet to an iron pin at lands nor or formerly Housing Authority of City of York; thence by said lands South 18 degrees 00 minutes 18 seconds West a distance of 546.96 feet to a point, the ping of BEGINNING.

CONTAINING 6.7391 Acres.

TOGETHER WITH the rights for installation, maintenance and repair of a 30 inch storm drain pipe as set forth in Agreement dated October 2, 1990 recorded in Deed Book 107-U, Page 977.

TOGETHER WITH AND UNDER AND SUBJECT TO rights of joint access over shared driveway as contained in Agreement Venture Quest Development, Inc., _____, 2002, and recorded _____, 2002.

OPEN-END MORTGAGE. THIS MORTGAGE SECURES FUTURE ADVANCES.

FAIRVIEW PLAZA ASSOCIATES, L.P.
(Mortgagor)

to

GENERAL ELECTRIC CAPITAL CORPORATION
(Mortgagee)

OPEN-END
MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING

Dated as of January ____, 2003

Property Location: New Cumberland, Pennsylvania

DOCUMENT PREPARED BY AND WHEN RECORDED, RETURN TO:

Andrews & Kurth L.L.P.
1717 Main Street, Suite 3700
Dallas, Texas 75201
Attention: Charles T. Marshall, Esq.

OPEN-END MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING

This Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (this "Mortgage") is executed as of January ____, 2003, by FAIRVIEW PLAZA ASSOCIATES, L.P., a Delaware limited partnership, whose organization number is 3582949 ("Mortgagor"), whose address for notice hereunder is c/o Cedar Income Fund Partnership, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, for the benefit of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation ("Mortgagee"), whose address for notice is c/o GEMSA Loan Services, L.P., 1500 City West Blvd., Suite 200, Houston, Texas 77042-2300, Attention: Portfolio Manager/Access Program.

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions. As used herein, the following terms shall have the following meanings:

"Indebtedness": The sum of all principal, interest and all other amounts due under or secured by the Loan Documents.

"Loan": The Loan made to the Mortgagor by the Mortgagee as evidenced and secured by the Loan Documents.

"Loan Documents": The (a) Loan Agreement of even date between Mortgagor and Mortgagee (the "Loan Agreement"), (b) Promissory Note of even date, executed by Mortgagor, payable to the order of Mortgagee, in the stated principal amount of \$6,080,000.00, (c) this Mortgage, (d) all other documents now or hereafter executed by Mortgagor, or any other person or entity, to evidence, secure or guaranty the payment of all or any portion of the Indebtedness or the performance of all or any portion of the Obligations or otherwise executed in connection with the Note or this Mortgage, and (e) all modifications, restatements, extensions, renewals and replacements of the foregoing; provided however, in no event shall the term "Loan Documents" include that certain Hazardous Materials Indemnity Agreement dated the date hereof in favor of Mortgagee.

"Mortgaged Property": (a) the real property described in Exhibit A, together with any greater estate therein as hereafter may be acquired by Mortgagor (the "Land"), (b) all buildings, structures and other improvements, now or at any time situated, placed or constructed upon the Land (the "Improvements"), (c) all materials, supplies, equipment, apparatus and other items of personal property now owned or hereafter acquired by Mortgagor and now or hereafter attached to, installed in or used in connection with any of the

Improvements or the Land, and water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements (the "Fixtures"), (d) all right, title and interest of Mortgagor in and to all goods, accounts, general intangibles, investment property, instruments, letters of

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credit, letter-of-credit rights, deposit accounts, documents, chattel paper and all other personal property of any kind or character, including such items of personal property as presently or hereafter defined in the UCC, now owned or hereafter acquired by Mortgagor and now or hereafter affixed to, placed upon, used in connection with, arising from or otherwise related to the Land and Improvements or which may be used in or relating to the planning, development, financing or operation of the Mortgaged Property, including, without limitation, furniture, furnishings, equipment, machinery, money, insurance proceeds, accounts, contract rights, software, trademarks, goodwill, promissory notes, electronic and tangible chattel paper, payment intangibles, documents, trade names, licenses and/or franchise agreements, rights of Mortgagor under leases of Fixtures or other personal property or equipment, inventory, all refundable, returnable or reimbursable fees, deposits or other funds or evidences of credit or indebtedness deposited by or on behalf of Mortgagor with any governmental authorities, boards, corporations, providers of utility services, public or private, including specifically, but without limitation, all refundable, returnable or reimbursable tap fees, utility deposits, commitment fees and development costs, and commercial tort claims arising from the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition or ownership of the Mortgaged Property (the "Personalty"), (e) all reserves, escrows or impounds required under the Loan Agreement and all deposit accounts (including accounts holding security deposits) maintained by Mortgagor with respect to the Mortgaged Property, (f) all plans, specifications, shop drawings and other technical descriptions prepared for construction, repair or alteration of the Improvements, and all amendments and modifications thereof (the "Plans"), (g) all leases, subleases, licenses, concessions, occupancy agreements, rental contracts, or other agreements (written or oral) now or hereafter existing relating to the use or occupancy of all or any part of the Mortgaged Property, together with all guarantees, letters of credit and other credit support, modifications, extensions and renewals thereof (whether before or after the filing by or against Mortgagor of any petition of relief under 11 U.S.C. ss. 101 et seq., as same may be amended from time to time (the "Bankruptcy Code")) and all related security and other deposits (the "Leases") and all of Mortgagor's claims and rights (the "Bankruptcy Claims") to the payment of damages arising from any rejection by a lessee of any Lease under the Bankruptcy Code, (h) all of the rents, revenues, issues, income, proceeds, profits, and all other payments of any kind under the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying the Mortgaged Property whether paid or accruing before or after the filing by or against Mortgagor of any petition for relief under the Bankruptcy Code (the "Rents"), (i) all other agreements, such as construction contracts, architects' agreements, engineers' contracts, utility contracts, maintenance agreements, franchise agreements, service contracts, permits, licenses, certificates and entitlements in any way relating to the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition or ownership of the Mortgaged Property (the "Property Agreements"), (j) all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing, and all right, title and interest, if any, of Mortgagor in and to any streets, ways, alleys, strips or gores of land adjoining the Land or any part thereof, (k) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof, (l) all insurance policies (regardless of whether required by Mortgagee), unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by Mortgagor, (m) all mineral, water, oil and gas rights now or

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hereafter acquired and relating to all or any part of the Mortgaged Property, (n) all tradenames, trademarks, service marks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Mortgaged Property; and (o) all of Mortgagor's right, title and interest in and to any awards, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Land, Improvements, Fixtures or Personalty. As used in this Mortgage, the term "Mortgaged Property" shall mean all or, where the context permits or requires, any portion of the above or any interest therein.

"Obligations": All of the agreements, covenants, conditions, warranties, representations and other obligations (other than to repay the Indebtedness) made or undertaken by Mortgagor or any other person or entity to Mortgagee or others as set forth in the Loan Documents.

"Permitted Encumbrances": The outstanding liens, easements, restrictions, security interests and other exceptions to title set forth in the policy of title insurance insuring the lien of this Mortgage, together with the

liens and security interests in favor of Mortgagee created by the Loan Documents, none of which, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by this Mortgage, materially and adversely affect the value of the Mortgaged Property, impair the use or operations of the Mortgaged Property or impair Mortgagor's ability to pay its obligations in a timely manner.

"State": The Commonwealth of Pennsylvania.

"UCC": The Uniform Commercial Code of the State in effect from time to time or, if the creation, perfection and enforcement of any security interest herein granted is governed by the laws of a state other than the State, then, as to the matter in question, the Uniform Commercial Code in effect in that state from time to time.

Section 1.2 Other Terms. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

ARTICLE 2

----- GRANT -----

Section 2.1 Grant. To secure the full and timely payment of the Indebtedness and the full and timely performance of the Obligations, Mortgagor hereby FREELY GIVES, MORTGAGES, GRANTS, BARGAINS, SELLS, ALIENS, ENFEOFFS, RELEASES, CONVEYS, CONFIRMS AND ASSIGNS to Mortgagee the Mortgaged Property, subject, however, to the Permitted Encumbrances; TO HAVE AND TO HOLD the Mortgaged Property to Mortgagee, its successors and assigns, and Mortgagor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property unto Mortgagee.

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ARTICLE 3

----- WARRANTIES, REPRESENTATIONS AND COVENANTS -----

Mortgagor warrants, represents and covenants to Mortgagee as follows:

Section 3.1 Title to Mortgaged Property and Lien of this Instrument. Mortgagor owns the Mortgaged Property free and clear of any liens, claims or interests, except the Permitted Encumbrances. This Mortgage creates valid, enforceable first priority liens and security interests against the Mortgaged Property. Mortgagor warrants that Mortgagor has good, marketable and insurable title to the Mortgaged Property, subject only to the Permitted Encumbrances, and has the full power, authority and right to execute, deliver and perform its obligations under this Mortgage.

Section 3.2 First Lien Status. Mortgagor shall preserve and protect the first lien and security interest status of this Mortgage and the other Loan Documents. If any lien or security interest other than the Permitted Encumbrances is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its expense, (a) give Mortgagee a detailed written notice of such lien or security interest (including origin, amount and other terms), and (b) pay the underlying claim in full or take such other action so as to cause it to be released or, in Mortgagee's discretion, provide a bond or other security reasonably satisfactory to Mortgagee for the payment of such claim.

Section 3.3 Payment and Performance. Mortgagor shall pay the Indebtedness when due under the Loan Documents and shall perform the Obligations in full when they are required to be performed.

Section 3.4 Replacement of Fixtures and Personalty. Mortgagor shall not, without the prior written consent of Mortgagee, permit any of the Fixtures or Personalty to be removed at any time from the Land or Improvements, unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is obsolete and is replaced by an article of equal or better suitability and value, owned by Mortgagor subject to the liens and security interests of this Mortgage and the other Loan Documents, and free and clear of any other lien or security interest except such as may be first approved in writing by Mortgagee.

Section 3.5 Maintenance of Rights of Way, Easements and Licenses. Mortgagor shall maintain all rights of way, easements, grants, privileges, licenses, certificates, permits, entitlements and franchises necessary for the use of the Mortgaged Property and will not, without the prior consent of Mortgagee, consent to any public restriction (including any zoning ordinance) or private restriction as to the use of the Mortgaged Property. Mortgagor shall comply with all restrictive covenants affecting the Mortgaged Property, and all zoning ordinances and other public or private restrictions as to the use of the

Mortgaged Property.

Section 3.6 Inspection. Mortgagor shall permit Mortgagee, and Mortgagee's agents, representatives and employees, upon reasonable prior notice to Mortgagor, to inspect the Mortgaged Property and conduct such environmental and engineering studies as Mortgagee may require, provided that such inspections and studies shall not materially interfere with the use and operation of the Mortgaged Property.

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Section 3.7 Other Covenants. All of the covenants in the Loan Agreement are incorporated herein by reference and, together with covenants in this Article 3, shall be covenants running with the land. The covenants set forth in the Loan Agreement include, among other provisions: (a) the obligation to pay when due all taxes on the Mortgaged Property or assessed against Mortgagee with respect to the Loan, (b) the right of Mortgagee to inspect the Mortgaged Property, (c) the obligation to keep the Mortgaged Property insured as Mortgagee may require, (d) the obligation to comply with all legal requirements (including environmental laws), maintain the Mortgaged Property in good condition, and promptly repair any damage or casualty, and (e) except as otherwise permitted under the Loan Agreement, the obligation of Mortgagor to obtain Mortgagee's consent prior to entering into, modifying or taking other actions with respect to Leases.

Section 3.8 Condemnation Awards and Insurance Proceeds.

(a) Condemnation Awards. Mortgagor assigns all awards and compensation for any condemnation or other taking, or any purchase in lieu thereof, to Mortgagee and authorizes Mortgagee to collect and receive such awards and compensation and to give proper receipts and acquittances therefor, subject to the terms of the Loan Agreement.

(b) Insurance Proceeds. Mortgagor assigns to Mortgagee all proceeds of any insurance policies insuring against loss or damage to the Mortgaged Property. Mortgagor authorizes Mortgagee to collect and receive such proceeds and authorizes and directs the issuer of each of such insurance policies to make payment for all such losses directly to Mortgagee, instead of to Mortgagor and Mortgagee jointly.

Section 3.9 Transfer or Encumbrance of Mortgaged Property.

(a) Except as otherwise provided herein, without the prior written consent of Mortgagee,

(i) neither Mortgagor nor any other Person having an ownership or beneficial interest in Mortgagor shall (A) directly or indirectly sell, transfer, convey, mortgage, pledge, or assign any interest in the Mortgaged Property or any part thereof (including any partnership, membership, or any other ownership interest in Mortgagor); (B) further encumber, alienate, grant a Lien or grant any other interest in the Mortgaged Property or any part thereof (including any partnership, membership, or other ownership interest in Mortgagor), whether voluntarily or involuntarily; or (C) enter into any easement or other agreement granting rights in or restricting the use or development of the Mortgaged Property;

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(ii) except as otherwise permitted herein or elsewhere in the Loan Documents, no new general partner, member, or limited partner having the ability to control the affairs of Mortgagor shall be admitted to or created in Mortgagor (nor shall any existing general partner or member or controlling limited partner withdraw from Mortgagor), and no change in Mortgagor's organizational documents relating to control over Mortgagor and/or the Mortgaged Property shall be effected; and

(iii) no transfer shall be permitted which would cause Cedar Income Fund, Ltd. and KIMCO Preferred Investor III, Inc. jointly to own less than a controlling interest in Mortgagor and the Mortgaged Property and not to have the power to direct the affairs of Mortgagor (provided that the restrictions in this article shall not be deemed violated by transfers between such entities, which transfers shall be permitted without Lender's prior consent, so long as either entity itself or the two entities jointly shall retain a controlling interest in Mortgagor and the Mortgaged Property and the power to direct the affairs of Mortgagor.

(b) As used in this Section 3.9, "transfer" shall include (i) an installment sales agreement wherein Mortgagor agrees to sell the Mortgaged Property or any part thereof for a price to be paid in installments; (ii) an

agreement by Mortgagor leasing all or a substantial part of the Mortgaged Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Mortgagor's right, title and interest in and to any Leases or any Rents; (iii) the sale, transfer, conveyance, mortgage, pledge, or assignment of the legal or beneficial ownership of any partnership interest in any general partner in Mortgagor that is a partnership; (iv) the sale, transfer, conveyance, mortgage, pledge, or assignment of the legal or beneficial ownership of any voting stock in any general partner in Mortgagor that is a corporation; and (v) the sale, transfer, conveyance, mortgage, pledge, or assignment of any membership interest in any general partner of Mortgagor that is a limited liability company. "Transfer" is specifically intended to include any pledge or assignment, directly or indirectly, of a controlling interest in Mortgagor or its general partner, controlling member, or controlling limited partner for purposes of securing so-called "mezzanine" indebtedness to such transferor. Notwithstanding anything to the contrary in this Section 3.9, "transfer" shall not include (A) the leasing of individual units within the Project so long as Mortgagor complies with the provisions of the Loan Documents relating to such leasing activity; or (B) the transfers of limited partner, membership, or other ownership interests in Mortgagor so long as such transfers, alone or in the aggregate, do not result in the transfer of a controlling interest or more than 49% of the ownership or beneficial interest in the Mortgagor and the provisions of Sections 3.9(a)(ii) and 3.9(a)(iii) are satisfied. Notwithstanding anything in this Section 3.9 to the contrary, no transfer shall be permitted which would be in violation of the covenants set forth in Section 6.16 of the Loan Agreement.

(c) Mortgagee shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Indebtedness immediately due and payable upon Mortgagor's sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property

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without Mortgagee's consent. This provision shall apply to every sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property regardless of whether voluntary or not, or whether or not Mortgagee has consented to any previous sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property.

(d) Mortgagee's consent to one sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property or any interest in Mortgagor shall not be deemed to be a waiver of Mortgagee's right to require such consent to any future occurrence of same. Any sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property made in contravention of this paragraph shall be null and void and of no force and effect.

(e) Mortgagor agrees to bear and shall pay or reimburse Mortgagee on demand for all reasonable expenses (including, without limitation, reasonable attorneys' fees and disbursements, title search costs and title insurance endorsement premiums and Rating Agency [as defined below] fees and expenses) incurred by Mortgagee in connection with the review, approval and documentation of any such sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer.

(f) Mortgagee's consent to the sale or transfer of the Mortgaged Property will not be unreasonably withheld after consideration of all relevant factors, provided that:

- (i) no Event of Default or event which with the giving of notice or the passage of time would constitute an Event of Default shall have occurred and remain uncured;
- (ii) the proposed transferee ("Transferee") shall be a reputable entity or person of good character, creditworthy, with sufficient financial worth considering the obligations assumed and undertaken, as evidenced by financial statements and other information reasonably requested by Mortgagee and shall be a Single Purpose Entity;
- (iii) the Transferee and its property manager shall have sufficient experience in the ownership and management of properties similar to the Mortgaged Property, and Mortgagee shall be provided with reasonable evidence thereof (and Mortgagee reserves the right to approve the Transferee without approving the substitution of the property manager);
- (iv) Mortgagee shall have received confirmation in writing from the Rating Agencies (as hereinafter defined) to the effect that such transfer will not result in a qualification, downgrade or withdrawal of any rating initially assigned or to be assigned in a Secondary Market

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Transaction. The term "Rating Agencies" as used herein shall mean each of Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., Moody's Investors Service, Inc., and Fitch, Inc., or any other nationally-recognized statistical rating agency which has been approved by Mortgagee;

- (v) the Transferee shall have executed and delivered to Mortgagee an assumption agreement in form and substance reasonably acceptable to Mortgagee, evidencing such Transferee's agreement to abide and be bound by the terms of the Note, this Mortgage and the other Loan Documents, together with such legal opinions and title insurance endorsements as may be reasonably requested by Mortgagee; and
- (vi) Mortgagee shall have received an assumption fee equal to one percent (1%) of the then unpaid principal balance of the Note in addition to the payment of all costs and expenses incurred by Mortgagee in connection with such assumption (including reasonable attorneys' fees and costs).

ARTICLE 4

DEFAULT AND FORECLOSURE

Section 4.1 Remedies. If an Event of Default (as defined in the Loan Agreement) exists, Mortgagee may, at Mortgagee's election, exercise any or all of the following rights, remedies and recourses:

(a) Acceleration. Declare the Indebtedness to be immediately due and payable, without further notice, presentment, protest, notice of intent to accelerate, notice of acceleration, demand or action of any nature whatsoever (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

(b) Entry on Mortgaged Property. Enter the Mortgaged Property and take exclusive possession thereof and of all books, records and accounts relating thereto. If Mortgagor remains in possession of the Mortgaged Property after an Event of Default and without Mortgagee's prior written consent, Mortgagee may invoke any legal remedies to dispossess Mortgagor.

(c) Operation of Mortgaged Property. Hold, lease, develop, manage, operate or otherwise use the Mortgaged Property upon such terms and conditions as Mortgagee may deem reasonable under the circumstances (making such repairs, alterations, additions and improvements and taking other actions, from time to time, as Mortgagee deems necessary or desirable), and apply all Rents and other amounts collected by Mortgagee in connection therewith in accordance with the provisions of Section 4.7.

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(d) Foreclosure and Sale. Institute proceedings for the complete foreclosure of this Mortgage, in which case the Mortgaged Property may be sold for cash or credit in one or more parcels. At any such sale by virtue of any judicial proceedings or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against all other persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagor. Mortgagee may be a purchaser at such sale and if Mortgagee is the highest bidder, may credit the portion of the purchase price that would be distributed to Mortgagee against the Indebtedness in lieu of paying cash.

(e) Receiver. Make application to a court of competent jurisdiction for, and obtain from such court as a matter of strict right and without notice to Mortgagor or regard to the adequacy of the Mortgaged Property for the repayment of the Indebtedness, the appointment of a receiver of the Mortgaged Property, and Mortgagor irrevocably consents to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply such Rents in accordance with the provisions of Section 4.7.

(f) UCC. Exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the personal property or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the personal property, and (ii) request Mortgagor at its expense to assemble the personal property and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Any notice of sale, disposition or other intended action by Mortgagee with respect to the personal property sent to Mortgagor in

accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Mortgagor.

(g) Other. Exercise all other rights, remedies and recourses granted under the Loan Documents or otherwise available at law or in equity (including an action for specific performance of any covenant contained in the Loan Documents, or a judgment on the Note either before, during or after any proceeding to enforce this Mortgage).

Section 4.2 Separate Sales. The Mortgaged Property may be sold in one or more parcels and in such manner and order as Mortgagee in its sole discretion, may elect; the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

Section 4.3 Remedies Cumulative, Concurrent and Nonexclusive. Mortgagee shall have all rights, remedies and recourses granted in the Loan Documents and

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available at law or equity (including the UCC), which rights (a) shall be cumulative and concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor or others obligated under the Note and the other Loan Documents, or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Mortgagee, (c) may be exercised as often as occasion therefor shall arise, and the exercise or failure to exercise any of them shall not be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive. No action by Mortgagee in the enforcement of any rights, remedies or recourses under the Loan Documents or otherwise at law or equity shall be deemed to cure any Event of Default.

Section 4.4 Release of and Resort to Collateral. Mortgagee may release, regardless of consideration and without the necessity for any notice to a consent by the holder of any subordinate lien on the Mortgaged Property, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interests created in or evidenced by the Loan Documents or their stature as a first and prior lien and security interest in and to the Mortgaged Property. For payment of the Indebtedness, Mortgagee may resort to any other security in such order and manner as Mortgagee may elect.

Section 4.5 Waiver of Redemption, Notice and Marshalling of Assets. To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefit that might accrue to Mortgagor by virtue of any present or future statute of limitations or law or judicial decision exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any appraisal, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment, (b) all notices of any Event of Default or of Mortgagee's election to exercise or its actual exercise of any right, remedy or recourse provided for under the Loan Documents, and (c) any right to a marshalling of assets or a sale in inverse order of alienation.

Section 4.6 Discontinuance of Proceedings. If Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon it for any reason, Mortgagee shall have the unqualified right to do so and, in such an event, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Loan Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee shall continue as if the right, remedy or recourse had never been invoked, but no such discontinuance or abandonment shall waive any Event of Default which may then exist or the right of Mortgagee thereafter to exercise any right, remedy or recourse under the Loan Documents for such Event of Default.

Section 4.7 Application of Proceeds. The proceeds of any sale of, and the Rents and other amounts generated by the holding, leasing, management, operation or other use of the Mortgaged Property, shall be applied by Mortgagee (or the receiver, if one is appointed) in the following order unless otherwise required by applicable law:

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(a) to the payment of the reasonable costs and expenses of taking possession of the Mortgaged Property and of holding, using, leasing, repairing, improving and selling the same, including, without limitation (i) receiver's

fees and expenses, (ii) court costs, (iii) reasonable attorneys' and accountants' fees and expenses, (iv) costs of advertisement, (v) insurance premiums and (vi) the payment of all ground rent, real estate taxes and assessments, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold;

(b) to the payment of all amounts (including interest), other than the unpaid principal balance of the Note and accrued but unpaid interest, which may be due to Mortgagee under the Loan Documents;

(c) to the payment of the Indebtedness and performance of the Obligations in such manner and order of preference as Mortgagee in its sole discretion may determine; and

(d) the balance, if any, to the payment of the persons legally entitled thereto.

Section 4.8 Occupancy After Foreclosure. The purchaser at any foreclosure sale pursuant to Section 4.1(d) shall become the legal owner of the Mortgaged Property. All occupants of the Mortgaged Property shall, at the option of such purchaser, become tenants of the purchaser at the foreclosure sale and shall deliver possession thereof immediately to the purchaser upon demand. It shall not be necessary for the purchaser at said sale to bring any action for possession of the Mortgaged Property other than the statutory action of forcible detainer in any justice court having jurisdiction over the Mortgaged Property.

Section 4.9 Additional Advances and Disbursements; Costs of Enforcement.

(a) If any Event of Default exists, Mortgagee shall have the right, but not the obligation, to cure such Event of Default in the name and on behalf of Mortgagor. All sums advanced and expenses incurred at any time by Mortgagee under this Section 4.9, or otherwise under this Mortgage or any of the other Loan Documents or applicable law, shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at the Default Rate (as defined in the Loan Agreement), and all such sums, together with interest thereon, shall be secured by this Mortgage.

(b) Mortgagor shall pay all expenses (including reasonable attorneys' fees and expenses) of or incidental to the perfection and enforcement of this Mortgage and the other Loan Documents, or the enforcement, compromise or settlement of the Indebtedness or any claim under this Mortgage and the other Loan Documents, and for the curing thereof, or for defending or asserting the rights and claims of Mortgagee in respect thereof, by litigation or otherwise.

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Section 4.10 No Mortgagee in Possession. Neither the enforcement of any of the remedies under this Article 4, the assignment of the Rents and Leases under Article 5, the security interests under Article 6, nor any other remedies afforded to Mortgagee under the Loan Documents, at law or in equity shall cause Mortgagee to be deemed or construed to be a mortgagee in possession of the Mortgaged Property, to obligate Mortgagee to lease the Mortgaged Property or attempt to do so, or to take any action, incur any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

Section 4.11 Actions and Proceedings. Mortgagee has the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of Mortgagor, which Mortgagee, in its discretion, decides should be brought to protect its interest in the Mortgaged Property.

ARTICLE 5

ASSIGNMENT OF LEASES AND RENTS

Section 5.1 Assignment. Mortgagor acknowledges and confirms that it has executed and delivered to Mortgagee an Assignment of Leases and Rents of even date (the "Assignment of Leases and Rents"), intending that such instrument create a present, absolute assignment to Mortgagee of the Leases and Rents and not an assignment as security for the performance of the obligations under the Loan Documents, or payment of the Indebtedness. Without limiting the intended benefits or the remedies provided under the Assignment of Leases and Rents, Mortgagor hereby assigns to Mortgagee, as further security for the Indebtedness and the Obligations, the Leases and Rents. While any Event of Default exists, Mortgagee shall be entitled to exercise any or all of the remedies provided in the Assignment of Leases and Rents and in Article 4 hereof, including, without limitation, the right to have a receiver appointed. If any conflict or inconsistency exists between the assignment of the Rents and the Leases in this Mortgage and the absolute assignment of the Rents and the Leases in the Assignment of Leases and Rents, the terms of the Assignment of Leases and Rents shall control.

Section 5.2 No Merger of Estates. So long as any part of the Indebtedness and the Obligations secured hereby remain unpaid and undischarged, the fee and leasehold estates to the Mortgaged Property shall not merge, but shall remain separate and distinct, notwithstanding the union of such estates either in Mortgagor, Mortgagee, any lessee or any third party by purchase or otherwise.

ARTICLE 6

SECURITY AGREEMENT

Section 6.1 Security Interest. This Mortgage constitutes a "Security Agreement" on personal property within the meaning of the UCC and other applicable law and with respect to the Personalty, Fixtures, Plans, Leases, Rents and Property Agreements. To this end, Mortgagor grants to Mortgagee, a first and prior security interest in the Personalty, Fixtures, Plans, Leases,

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Rents and Property Agreements and all other Mortgaged Property which is personal property to secure the payment of the Indebtedness and performance of the Obligations, and agrees that Mortgagee shall have all the rights and remedies of a secured party under the UCC with respect to such property. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Personalty, Fixtures, Plans, Leases, and Property Agreements sent to Mortgagor at least ten (10) days prior to any action under the UCC shall constitute reasonable notice to Mortgagor.

Section 6.2 Financing Statements. Mortgagor shall execute and deliver to Mortgagee, in form and substance satisfactory to Mortgagee, such financing statements and such further assurances as Mortgagee may, from time to time, reasonably consider necessary to create, perfect and preserve Mortgagee's security interest hereunder and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. Mortgagor's state of organization is the State of Delaware and its chief executive office is in the State of New York at the address set forth in the first paragraph of this Mortgage.

Section 6.3 Fixture Filing. This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Mortgaged Property which is or is to become fixtures and shall be filed for recording in the applicable land records. Information concerning the security interest herein granted may be obtained at the addresses of Debtor (Mortgagor) and Secured Party (Mortgagee) as set forth in the first paragraph of this Mortgage. A carbon, photographic or other reproduction of this Mortgage or any financing statement relating thereto shall be sufficient as a financing statement and shall be filed and indexed in the real estate records of each county in which the Land or any part thereof is located.

ARTICLE 7

MISCELLANEOUS

Section 7.1 Limitation on Interest. It is the intention of the parties hereto to conform strictly to applicable usury laws. Accordingly, all agreements between Mortgagor and Mortgagee with respect to the Loan are hereby expressly limited so that in no event, whether by reason of acceleration of maturity or otherwise, shall the amount paid or agreed to be paid to Mortgagee or charged by Mortgagee for the use, forbearance or detention of the money to be lent hereunder or otherwise, exceed the maximum amount allowed by law. If the Loan would be usurious under applicable law (including the laws of the state where the Mortgaged Property is located and the laws of the United States of America), then, notwithstanding anything to the contrary in the Loan Documents: (a) the aggregate of all consideration which constitutes interest under applicable law that is contracted for, taken, reserved, charged or received under the Loan Documents shall under no circumstances exceed the maximum amount of interest allowed by applicable law, and any excess shall be credited on the Indebtedness; and (b) if maturity is accelerated by reason of an election by Mortgagee, or in the event of any prepayment, then any consideration which constitutes interest may never include more than the maximum amount allowed by applicable law. In

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such case, excess interest, if any, provided for in the Loan Documents or otherwise, to the extent permitted by applicable law, shall be amortized, prorated, allocated and spread from the date of advance until payment in full so that the actual rate of interest is uniform through the term hereof. If such amortization, proration, allocation and spreading is not permitted under applicable law, then such excess interest shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on the Indebtedness. The Loan Documents are contracts made under and

shall be construed in accordance with and governed by the laws of the State, except that if at any time the laws of the United States of America permit Mortgagee to contract for, take, reserve, charge or receive a higher rate of interest than is allowed by the laws of the State (whether such federal laws directly so provide or refer to the law of any state), then such federal laws shall to such extent govern as to the rate of interest which Mortgagee may contract for, take, reserve, charge or receive under the Loan Documents.

Section 7.2 Notices. Any notice required or permitted to be given under this Mortgage shall be (a) in writing, (b) sent in the manner set forth in the Loan Agreement, and (c) effective in accordance with the terms of the Loan Agreement.

Section 7.3 Covenants Running with the Land. All Obligations contained in this Mortgage are intended by Mortgagor and Mortgagee to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, "Mortgagor" shall refer to the party named in the first paragraph of this Mortgage and to any subsequent owner of all or any portion of the Mortgaged Property (without in any way implying that Mortgagee has or will consent to any such conveyance or transfer of the Mortgaged Property). All persons or entities who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Loan Agreement and the other Loan Documents; however, no such party shall be entitled to any rights thereunder without the prior written consent of Mortgagee.

Section 7.4 Attorney-in-Fact. Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of completion, cessation of labor or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, if Mortgagor shall fail to do so within ten (10) days after written request by Mortgagee, (b) upon the issuance of a deed pursuant to the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment, conveyance or further assurance with respect to the Leases, Rents, Personalty, Fixtures, Plans and Property Agreements in favor of the grantee of any such deed and as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Mortgagee's security interests and rights in or to any of the collateral, and (d) while any Event of Default exists, to perform any obligation of Mortgagor hereunder; however: (i) Mortgagee shall not under any circumstances be obligated to perform any obligation of Mortgagor; (ii) any sums advanced by Mortgagee in such performance shall be added to and included in the Indebtedness and shall bear interest at the Default Rate; (iii) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee; and (iv) Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to take any action which it is empowered to take under this Section.

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Section 7.5 Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of Mortgagee and Mortgagor and their respective successors and assigns. Mortgagor shall not, without the prior written consent of Mortgagee, assign any rights, duties or obligations hereunder.

Section 7.6 No Waiver. Any failure by Mortgagee to insist upon strict performance of any of the terms, provisions or conditions of the Loan Documents shall not be deemed to be a waiver of same, and Mortgagee shall have the right at any time to insist upon strict performance of all of such terms, provisions and conditions.

Section 7.7 Subrogation. To the extent proceeds of the Note have been used to extinguish, extend or renew any indebtedness against the Mortgaged Property, then Mortgagee shall be subrogated to all of the rights, liens and interests existing against the Mortgaged Property and held by the holder of such indebtedness and such former rights, liens and interests, if any, are not waived, but are continued in full force and effect in favor of Mortgagee.

Section 7.8 Loan Agreement. If any conflict or inconsistency exists between this Mortgage and the Loan Agreement, the Loan Agreement shall govern.

Section 7.9 Release. Upon payment in full of the Indebtedness and performance in full of the Obligations, Mortgagee, at Mortgagor's expense, shall release the liens and security interests created by this Mortgage pursuant to forms of release or satisfaction as shall be sufficient to record in the public records in order to release all such liens of record.

Section 7.10 Waiver of Stay, Moratorium and Similar Rights. Mortgagor agrees, to the full extent that it may lawfully do so, that it will not at any time insist upon or plead or in any way take advantage of any appraisal, valuation, stay, marshalling of assets, extension, redemption or moratorium law now or hereafter in force and effect so as to prevent or hinder the enforcement of the provisions of this Mortgage or the indebtedness secured hereby, or any

agreement between Mortgagor and Mortgagee or any rights or remedies of Mortgagee.

Section 7.11 Limitation on Liability. Notwithstanding anything to the contrary set forth in this Mortgage, Mortgagor's liability under this Mortgage is subject to the limitation on liability provisions of Article 12 of the Loan Agreement.

Section 7.12 Obligations of Mortgagor, Joint and Several. If more than one person or entity has executed this Mortgage as "Mortgagor," the obligations of all such persons or entities hereunder shall be joint and several.

Section 7.13 Governing Law. This Mortgage shall be governed by the laws of the State and the applicable laws of the United States of America.

Section 7.14 Headings. The Article, Section and Subsection titles hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such Articles, Sections or Subsections.

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Section 7.15 Entire Agreement. This Mortgage and the other Loan Documents embody the entire agreement and understanding between Mortgagee and Mortgagor and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Loan Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

Section 7.16 Counterparts. This Mortgage may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document.

ARTICLE 8

SPECIAL STATE PROVISIONS

Section 8.1 Future Advances. This Mortgage is an Open-End Mortgage as defined in 42 Pa.C.S.A. ss.8143(f). Without the limiting of any other provisions of this Mortgage, Mortgagee may make future advances, and this Mortgage shall secure repayment of such advances and the interest thereon, for the payment of taxes, assessments, maintenance charges, insurance premiums, or costs similar or dissimilar, incurred for the protection and preservation of the Mortgaged Property or for the lien of this Mortgage, expenses incurred by Mortgagee by reason of default by Mortgagor, or advances made under a construction loan to enable the completion of the improvements for which the construction loan was originally made.

Section 8.2 Miscellaneous Pennsylvania Provisions. This Mortgage is intended to be a purchase money mortgage as defined in 42 Pa.C.S.A. ss.8141 and shall be entitled to all the benefits as such under the lien priority provisions of 42 Pa. C.S.A. ss.8141, as amended.

Section 8.3 Advance Money Mortgage. If Mortgagor sends a written notice to Mortgagee, including a notice under 42 Pa.C.S.A. ss.8143, which purports to limit the Indebtedness secured by this Mortgage and to release the obligations of Mortgagee to make additional advances to Mortgagor as contemplated by the Note, such notice shall be ineffective as to any future advances made: (a) to enable completion of improvements to the Mortgaged Property, the financing of which, in whole or in part, this Mortgage was given to secure; (b) to pay taxes, assessments, maintenance charges and insurance premiums; (c) for costs incurred for the protection and preservation of the Mortgaged Property or the lien of this Mortgage; (d) for expenses incurred by Mortgagee by reason of a default of Mortgagor hereunder or under the Note or the other Loan Documents; and (e) for any other costs incurred by Mortgagee to protect and preserve the Mortgaged Property. It is the intention of the parties hereto that any such advance made by Mortgagee after any such notice by Mortgagor shall be secured by the lien of this Mortgage on the Mortgaged Property.

Section 8.4 Notices to Mortgagee. Mortgagor agrees that any notice given by Mortgagor to Mortgagee purportedly pursuant to 42 Pa. C.S.A. ss.8143 shall be

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given by registered or certified mail, return receipt requested, to the address of the Mortgagee set forth on the signature page of this Mortgage and only to such address, and such notice shall be deemed to have been received no earlier than the date actually and physically received at such address.

NOW, THEREFORE, if the Note and other Indebtedness aforesaid and any additional notes which in accordance with the provisions hereof shall be secured

hereby, and any extensions or renewals thereof, shall be well and truly paid according to their tenor, and if all agreements and provisions contained therein and in all such notes and herein are fully kept and performed, then this Mortgage shall become null and void; otherwise to remain in full force and effect.

EXECUTED under seal as of the date first above written.

BORROWER: FAIRVIEW PLAZA ASSOCIATES, L.P,
a Delaware limited partnership

By: CIF-FAIRVIEW PLAZA ASSOCIATES, LLC,
a Delaware limited liability company,
its General Partner

By: CEDAR INCOME FUND PARTNERSHIP,
L.P., a Delaware limited partnership,
Sole and Managing Member

By: CEDAR INCOME FUND, LTD.,
a Maryland Real Estate Investment
Trust, its General Partner

By: _____
Leo S. Ullman, President

[SEAL]

I certify that the address of the within named Mortgagee is:

c/o GEMSA Capital Services, L.P.
1500 City West Blvd., Suite 200
Houston, Texas 77042-2300

By: _____
Agent for Mortgagee

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF _____)

On this, the ____ day of January, 2003, before me, the subscriber, a Notary Public in and for the Commonwealth and County aforesaid, personally appeared LEO S. ULLMAN who acknowledged herself to be the President of CEDAR INCOME FUND, LTD., a Maryland real estate investment trust and General Partner of CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership and Sole and Managing Member of CIF-FAIRVIEW PLAZA ASSOCIATES, LLC, a Delaware limited liability company and General Partner FAIRVIEW PLAZA ASSOCIATES, L.P., a Delaware limited partnership, of who I am satisfied is the person who signed the within instrument and who acknowledged that she executed same as such on behalf of said FAIRVIEW PLAZA ASSOCIATES, L.P., being authorized to do so, and that the within instrument is the voluntary act and deed of such FAIRVIEW PLAZA ASSOCIATES, L.P.

WITNESS my hand and seal the day and year aforesaid.

Notary Public
My commission Expires: _____

EXHIBIT A

Legal Description

ALL THAT CERTAIN lot of land situate in the Township of Fairview, County of York and Commonwealth of Pennsylvania, bounded and described according to an ALTA/ACSM Survey by J. Michael Brill Associates, Inc., James C. Hockenberry, PLS, Job No. 926-C dated October 25, 2002, as follows:

BEGINNING AT A POINT at lands now or formerly Susquehanna Area Regional Airport Authority; said point being the southeastern corner of herein described parcel;

thence by said lands North 74 degrees 26 minutes 00 seconds West a distance of 618.88 feet to a point on the eastern right-of-way line of New York Road (SR 1003); thence by said right-of-way line by a curve to the left having a radius of 1356.91 feet and an arc distance of 329.61 feet the chord of said curve being North 17 degrees 49 minutes 40 seconds East a distance of 328.80 feet (Deed 329.46 feet) to a point at lands now or formerly Venture Quest Development Inc.; thence by said lands South 84 degrees 49 minutes 57 seconds East a distance of 198.83 feet (Deed 198.84 feet) to a point; thence by same North 57 degrees 40 minutes 03 seconds East a distance of 347.78 feet to an iron pipe; thence by same South 53 degrees 40 minutes 00 seconds East a distance of 214.38 feet to an iron pin at lands now or formerly Housing Authority of City of York; thence by said lands South 18 degrees 00 minutes 18 seconds West a distance of 546.96 feet to a point, the ping of BEGINNING.

CONTAINING 6.7391 Acres.

TOGETHER WITH the rights for installation, maintenance and repair of a 30 inch storm drain pipe as set forth in Agreement dated October 2, 1990 recorded in Deed Book 107-U, Page 977.

TOGETHER WITH AND UNDER AND SUBJECT TO rights of joint access over shared driveway as contained in Agreement Venture Quest Development, Inc., _____, 2002, and recorded _____, 2002.

PROMISSORY NOTE

\$6,080,000.00

January ____, 2003

FOR VALUE RECEIVED, FAIRVIEW PLAZA ASSOCIATES, L.P., a Delaware limited partnership ("Borrower"), promises and agrees to pay to the order of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation ("Lender"), in lawful money of the United States of America, the principal sum of SIX MILLION EIGHTY THOUSAND AND NO/100 DOLLARS (\$6,080,000.00) or so much thereof as may be outstanding under the Loan Agreement of even date herewith between Borrower and Lender (the "Loan Agreement"), with interest on the unpaid principal sum owing thereunder at the rate or rates or in the amounts computed in accordance with the Loan Agreement, together with all other amounts due Lender under the Loan Agreement, all payable in the manner and at the time or times provided in the Loan Agreement. Capitalized terms used herein, but not defined, shall have the meanings assigned to them in the Loan Agreement.

If not sooner due and payable in accordance with the Loan Agreement, Borrower shall pay to Lender all amounts due and unpaid under the Loan Agreement on February 1, 2013, or on any earlier Maturity Date as set forth in the Loan Agreement. Unless otherwise specified in writing by Lender, all payments hereunder shall be paid to Lender at c/o GEMSA Loan Services, L.P., File 59229, Los Angeles, California 90074-9229. Lender reserves the right to require any payment on this Note, whether such payment is a regular installment, prepayment or final payment, to be by wired federal funds or other immediately available funds.

Borrower, co-makers, sureties, endorsers and guarantors, and each of them, expressly waive demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, notice of intent to accelerate the maturity hereof, notice of the acceleration of the maturity hereof, bringing of suit and diligence in taking any action to collect amounts called for hereunder and in the handling of securities at any time existing in connection herewith; such parties are and shall be jointly, severally, directly and primarily liable for the payment of all sums owing and to be owing hereon, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder or in connection with any right, lien, interest or property at any and all times had or existing as security for any amount called for hereunder.

This Note evidences all advances made, interest due and all amounts otherwise owed to Lender under the Loan Agreement. This Note is executed in conjunction with the Loan Agreement and is secured by the liens and security interests created under the Loan Documents (including those arising under the Mortgage). Reference is made to the Loan Agreement for provisions relating to repayment of the indebtedness evidenced by this Note, including mandatory repayment, acceleration following default, late charges, default rate of interest, limitations on interest, and restrictions on prepayment.

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Borrower's liability hereunder is subject to the limitation on liability provisions of Article 12 of the Loan Agreement. This Note has been executed and delivered in and shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania and of the United States of America.

EXECUTED under seal as of the date first written above.

BORROWER:

FAIRVIEW PLAZA ASSOCIATES, L.P,
a Delaware limited partnership

By: CIF-FAIRVIEW PLAZA ASSOCIATES, LLC,
a Delaware limited liability company,
its General Partner

By: CEDAR INCOME FUND PARTNERSHIP,
L.P., a Delaware limited partnership,
Sole and Managing Member

By: CEDAR INCOME FUND, LTD.,
a Maryland Real Estate Investment
Trust, its General Partner

By: _____
Leo S. Ullman, President

[SEAL]

BILL OF SALE

This Bill of Sale is made and executed this _____ day of January , 2003, by DOUBLE M DEVELOPMENT, a Pennsylvania general partnership, having its principal place of business at 434 North Front Street, Wormleysburg, Cumberland County, Pennsylvania ("Seller"), to FAIRVIEW PLAZA ASSOCIATES, L.P., a Delaware limited partnership, having offices at c/o Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Port Washington, New York 11050 ("Buyer").

Recitals:

A. Seller has agreed to convey to Buyer all of Seller's interest in and to that certain tract of land more particularly described on Exhibit "A", attached hereto and made a part hereof, and being commonly known as Fairview Plaza Shopping Center, Fairview Township, York County, Pennsylvania (the "Property").

B. Seller desires to assign, transfer, and convey to Buyer, subject to the terms and conditions of this Agreement, all fixtures, equipment, apparatus, machinery, appliances, furnishings, books and records (including computer-stored data, programs, etc.) and other tangible personal property, wherever located, owned by Seller and used in connection with Seller's operation and all leasehold improvements located thereon, but excluding, however, any and all personal property owned or leased by tenants of the Property (other than personal property leased by tenants from Seller) and any leasehold improvements that any such tenant may, pursuant to the terms of its lease, have the right to remove from its demised premises (all such property not so expressly excluded being hereinafter collectively referred to as the "Personal Property").

NOW, THEREFORE, in consideration of the receipt of Ten and 00/100 (\$10.00) Dollars and other good and valuable consideration in hand paid by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged by Seller, Seller does hereby grant, bargain, sell, assign, transfer, set over, convey and deliver to Buyer, its legal representatives, its successors, and its assigns, effective as of the date set forth hereinabove, all of Seller's right, title, and interest in and to the Personal Property.

And for the same consideration, Seller hereby covenants with Buyer, its legal representatives, its successors, and its assigns that the Personal Property is free of all encumbrances and that Seller does warrant and will forever defend the same to Buyer, its legal representatives, its successors, and its assigns against the lawful claims and demands of all persons whatsoever.

IN WITNESS WHEREOF, Seller, by its duly authorized officer, has executed this Bill of Sale.

WITNESS:

DOUBLE M DEVELOPMENT

By: _____

By: _____
Mark G. Caldwell, Partner

By: _____

By: _____
Martin L. Grass, Partner

LOANS TO ONE BORROWER CERTIFICATE

(For corporations and other entities)

General Electric Capital Corporation ("Lender")
c/o GEMSA Loan Services, L.P.
1500 City West Blvd., Suite 200
Houston, Texas 77042-2300

Re: \$6,080,000.00 Loan (herein so called) from Lender to FAIRVIEW PLAZA ASSOCIATES, L.P., a Delaware limited partnership ("Borrower"); certain liabilities of the Borrower to be guaranteed by CEDAR INCOME FUND, LTD., a Maryland real estate investment trust (whether one or more herein called "Joinder Party")

The undersigned is the applicant for and will become the obligor on the Loan and hereby certifies to Lender that except for the Loan:

- (i) Borrower and Joinder Party (herein individually referred to as "Obligor"),
- (ii) nominees of Obligor,
- (iii) persons, trusts, partnerships, syndicates, limited liability companies and corporations of which Obligor is a nominee, a beneficiary, a member, a general partner, a limited partner owning an interest of ten percent or more (based on the value of Obligor's contribution), or a record or beneficial stockholder owning ten percent or more of the capital stock,
- (iv) trusts, partnerships, syndicates, limited liability companies and corporations of which any beneficiary, member, general partner, limited partner owning an interest of ten percent or more, or record or beneficial stockholder owning ten percent or more of the capital stock thereof, is also a beneficiary, member, general partner, limited partner owning an interest of ten percent or more, or record or beneficial stockholder owning ten percent or more of the capital stock of Obligor, or
- (v) any person that, directly or indirectly, owns or controls, or is owned or controlled by, (A) Obligor, (B) a nominee of Obligor, (C) a general partner of limited partner owning an

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interest of ten percent or more of any partnership that is an Obligor, (D) a beneficiary of a trust that is an Obligor, or (E) a member of a syndicate that is an Obligor; do not owe you or any affiliate any balances on outstanding loans except as follows:

Please check as applicable

None

See Schedule I attached hereto and fully incorporated herein by reference for all purposes.

Executed under seal this the _____ day of January, 2003.

BORROWER: FAIRVIEW PLAZA ASSOCIATES, L.P,
a Delaware limited partnership

By: CIF-FAIRVIEW PLAZA ASSOCIATES, LLC,
a Delaware limited liability company,
its General Partner

By: CEDAR INCOME FUND PARTNERSHIP,
L.P., a Delaware limited partnership,
Sole and Managing Member

By: CEDAR INCOME FUND, LTD.,
a Maryland Real Estate Investment
Trust, its General Partner

By: _____
Leo S. Ullman, President

[SEAL]

JOINDER PARTIES:

CEDAR INCOME FUND, LTD.,
a Maryland real estate investment trust

By: _____
Leo S. Ullman, President

[SEAL]

AGREEMENT FOR THE SALE OF REAL ESTATE

This AGREEMENT FOR THE SALE OF REAL ESTATE, hereinafter, "Agreement", is made this _____ day of August, 2002, by and between CEDAR INCOME FUND PARTNERSHIP, L.P., a limited partnership organized and existing under the laws of the State of Delaware having a principal place of business located at 44 South Bayles Avenue, Port Washington, New York, 11050, hereinafter referred to as "Buyer", and CALDWELL DEVELOPMENT, INC., a Pennsylvania corporation, having a principal place of business located at 434 North Front Street, Wormleysburg, Cumberland County, Pennsylvania 17043, hereinafter referred to as "Seller".

W I T N E S S E T H:

WHEREAS, Seller owns a tract of land upon which it has erected a Giant supermarket- anchored shopping center of approximately 11.99 acres, more or less, located in Howe Township, Perry County, Pennsylvania, having an address of Newport Plaza, Route 34 & US 322, Newport, Pennsylvania, and bearing Perry County Tax Assessment Parcel No. 080 047.00-044.001; 080 047.00-044.042 (1st Bank of Newport); and 080,047.00-044.044 (McDonald's); and

WHEREAS, Buyer, subject to the requisites, conditions and terms as set forth in this Agreement, desires to purchase said real estate and the parties do wish, therefore, to set forth the actual terms of purchase as hereinafter provided.

NOW, THEREFORE, Buyer and Seller, each intending to be legally bound hereby, do covenant and agree as follows:

1. PROPERTY.

Seller agrees to sell, and Buyer agrees to buy, all of the following (collectively, the "Property"):

a. A certain tract of land upon which Seller has erected a Giant supermarket-anchored shopping center of approximately 11.99 acres, more or less, located in Howe Township, Perry County, Pennsylvania, and bearing Perry County Tax Assessment Parcel No. 080 047.00-044.001; 080 047.00-044.042 (1st Bank of Newport); and 080,047.00-044.044 (McDonald's), (hereinafter, the "Premises"). The Premises does include any buildings, improvements, privileges, rights, including development rights and governmental approvals, easements and appurtenances thereunto belonging and all of Seller's right, title and interest, if any, in and to the land lying within any street, alley, roadway or property adjoining the Premises;

b. The Seller's interest in the leases, and the rents due thereon (together with all security deposits, and Seller's rights, to the extent assignable to, to all guaranties securing the performance of the tenants' obligations thereunder), being all leases of all or any portion of the Premises, including the leases as listed on Exhibit "A" hereto and leases which may be made by Seller after the date of this Agreement and prior to closing as permitted by this Agreement, (the "Leases");

c. The tangible personal property, being all equipment, machinery, furniture, furnishings, supplies and other tangible personal property owned by Seller, and Seller's interest in any such property leased by Seller, now or hereafter located in and used in connection with the operation, ownership or management of the Premises, ("Tangible Personal Property");

d. The intangible personal property, being all intangible personal property related to the Premises and the improvements, including, without limitation: all trade names and trade marks associated with the Premises and the improvements, including Seller's rights and interests in the name of the Premises; the plans and specifications and other architectural and engineering drawings for the improvements; warranties; contract rights related to the construction, operation, ownership or management of the Premises (but only to the extent Seller's obligations hereunder are expressly assumed by Buyer pursuant to this Agreement); governmental permits, approvals and licenses (to the extent assignable); and all records relating to the Premises, ("Intangible Personal Property");

e. If Closing occurs, all of Seller's right, title and interest in and to any unpaid award for the taking by eminent domain or condemnation of all or any portion of the Premises.

2. PURCHASE PRICE.. The purchase price for the Premises shall be Four Million Eight Hundred Thousand and 00/100 (\$4,800,000.00) Dollars, subject to

prorations and adjustments as provided in this Agreement. The purchase price shall be paid as follows:

a) the sum of Fifty Thousand and 00/100 (\$50,000.00) Dollars to be placed in escrow upon execution of this Agreement, of which Five Thousand and 00/100 (\$5,000.00) Dollars shall be non-refundable, as hereinafter provided, but all sums (such amount, together with interest accruing thereon, the "First Deposit") to be credited to the purchase price; and

b) the sum of Fifty Thousand and 00/100 (\$50,000.00) Dollars (such amount, together with interest accruing thereon, the "Second Deposit") (the "First Deposit" and the "Second Deposit", collectively, the "Deposit") to be placed in escrow upon completion of the due diligence period, as hereinafter defined, to be credited to the purchase price; and

c) the balance to be paid at Closing as hereinafter provided. All sums shall be held in escrow by Buyer's title insurance company, New York Land Services, Ltd., as agent for Title Insurance Company, in an interest-bearing account with all interest accruing to the benefit of Buyer. The title insurance company shall act as the escrow agent (the, "Escrow Agent") and shall disburse the sums held at Closing or upon written direction of Buyer and Seller, or as otherwise provided under this Agreement. In the event of any dispute between Buyer and Seller, the Escrow Agent shall deposit the sums with the Court of Common Pleas of Cumberland County or to any impartial party or trustee as agreed between Buyer and Seller to hold said sums in accordance until further direction of Buyer and Seller or final Court order.

3. TITLE. Title to the Premises shall be good and marketable, fee simple title, free and clear of all liens, claims of adverse possession or prescriptive rights, easements, covenants, restrictions and other encumbrances which directly adversely impact upon the present use of the Premises ("Encumbrances") whatsoever, as shall be insurable as such at regular rates by title companies licensed to do business in the Commonwealth of Pennsylvania. Buyer shall have the sole but reasonable discretion to determine whether the title is acceptable to Buyer for the use set forth herein and such determination is an absolute condition precedent to Buyer's obligations hereunder, provided that Buyer informs Seller of any unacceptable title conditions ("Buyer's Objections") prior to the end of the due diligence period, exclusive of title conditions which arise subsequent to the due diligence period but prior to Settlement. Buyer shall perform its initial title examination within the due diligence period and at that time give a preliminary written notice to the Seller concerning the acceptability of title. A final title examination will be done prior to transfer of title. In the event, however, Buyer would determine that title is not acceptable, Buyer shall timely provide Seller written notice of any defects, deficiency, clouds in said title, and Seller shall, within ten

(10) days after receipt of Buyer's Title Objections, give written notice to Buyer ("Seller's Notice") stating whether Seller will cure all Buyer's Objections on or prior to the Closing, or which of such objections Seller will refuse to cure. If Seller's Notice indicates that Seller refuses to cure any Buyer's Objection, then Buyer shall have the option to take title with the objectionable condition "as- is" or terminate this Agreement on written notice to Seller given within ten (10) days of receipt of Seller's Notice, in which event Escrow Agent shall refund the Deposit to Buyer, whereupon neither party shall have any further duty or obligation to the other. Seller shall at Closing, convey marketable title free and clear of all Buyer's Objections which Seller agreed in Seller's Notice Seller would cure. In addition, and notwithstanding anything to the contrary set forth in this Agreement, Seller shall cure at or prior to Closing any Encumbrance which can be removed at time of Closing by payment of liquidated amount or by posting a bond, as well as any Encumbrance arising after the date of Buyer's delivery of Buyer's Objections and prior to the Closing Date, except for any of the foregoing arising from the acts or omissions of Buyer, its agents, contractors or employees. Seller shall not be obligated to cure non-liquidated Encumbrances (e.g., easements, covenants and restrictions) of record as of the date of Buyer's Objection and which Seller advises Buyer in Seller's Notice that Seller does not wish to cure. Seller shall

have a period not to exceed forty-five (45) days to cure any Buyer's Objection to Buyer's reasonable satisfaction, which may require an appropriate extension of the Closing Date.

4. PROPERTY INFORMATION AND DOCUMENTATION. To the extent such items are in Seller's possession or control, Seller shall provide to Buyer the following (the, "Property Information"), to the extent not previously provided to Buyer, and to the extent applicable and/or in existence, within seven (7) business days after the date of this Agreement:

a) Rent Roll - Seller has previously furnished to Cassidy & Pinkard, who has in turn furnished to Buyer, a rent roll for the Property, a true and correct copy of which is marked Exhibit "A", incorporated herein by reference thereto and made a part hereof. However, Seller will, in addition, provide a current delinquency report upon seven (7) business days after the date of this Agreement. Not more than four (4) days before date of Closing (the, "Closing Date"), Seller shall deliver to Buyer an updated Rent Roll certified by Seller as true and accurate as of the date delivered bearing no material variations from the Rent Roll attached hereto as Exhibit "A";

b) Operating Statements. Operating statements of the Premises in the form utilized by Seller for the thirty-six (36) months preceding this Agreement ("Operating Statements");

c) Tax Statements. Copies or a summary of ad valorem tax statements relating to the Premises for the current year or other current tax period (if available) and the twenty-four (24) months preceding this Agreement;

d) Leases. Copies of all Leases (including all amendments and guarantees) and a list ("Commission Schedule") of commission agreements related to the Leases or the Premises;

e) Service Contracts. A list together with copies of all management, service, supply, equipment rental, and other contracts related to the operation of the Premises ("Service Contracts");

f) Maintenance Records. All available maintenance work orders for the twelve (12) months preceding this Agreement;

g) List of Capital Improvements. A list of all capital improvements known to Seller and performed on the Premises within the twenty-four (24) months preceding this Agreement;

h) Other Reports. Any other report, document, study, material or information (including, without limitation, environmental and soils reports) in Seller's possession or control related to the Premises;

i) Plans and Specifications. All construction plans and specifications in Seller's possession relating to the original development of the Premises and any major capital repairs or tenant improvements; and

j) Existing Title and Survey Documents. Copy of Seller's existing title insurance policy and any existing surveys of the Premises, to include the approved Land Development Plan; and

k) Utility Bills. Copies of utility bills for a period of the twelve (12) previous months preceding this Agreement;

l) Tenant Billings. Copies of all tenant billings for CAM, taxes and insurance for the preceding 24 months and the amounts paid by tenants therefor.

Upon delivery of the last item of Property Information, Seller shall promptly deliver to Buyer a written notice (the, "Property Information Notice") certifying that all such deliveries have been completed together with an itemization of the matters delivered or made available to Buyer. The term "Commencement Date" shall mean the date upon which the Property Information Notice is received by Buyer or, if the Seller does not send a Property Information Notice, then the date the Buyer reasonably determines that it has received all of the Property Information. Notwithstanding the foregoing, under no circumstances shall the Commencement Date be earlier than the date of this Agreement. Seller shall have an ongoing obligation during the pendency of this Agreement to provide Buyer with any document described above and coming into Seller's possession or produced by Seller after the initial delivery of the Property Information. If Buyer does not purchase the Premises, all materials provided to Buyer, in accord with this Paragraph 4, or otherwise, shall be promptly returned to Seller.

5. DUE DILIGENCE. Buyer shall have, through the last day of the due diligence period, which shall be thirty (30) days from the Commencement Date, or five (5) days from the date Buyer receives an appraisal of the Premises and Phase I environmental report, whichever is later (but in no event later than forty-five (45) days from the Commencement Date), in which to examine, inspect and investigate the Premises and, in Buyer's sole and absolute judgment and discretion, to determine whether the Premises is acceptable to Buyer and to obtain all necessary internal approvals, (the "Due Diligence Period"). In the event the Buyer determines in its reasonable discretion that a Phase II environmental report is necessary to permit Buyer to complete Buyer's due diligence, the Due Diligence Period shall be extended for a reasonable period of time, not to exceed thirty (30) days, from the date the Buyer receives the Phase I environmental report. If Buyer, by written notice to Seller, waives its right to terminate this Agreement pursuant to this Paragraph prior to the last day of the Due Diligence Period, then the Due Diligence Period shall be deemed to have ended on the date such notice is received by Seller. Notwithstanding anything to the contrary in this Agreement, Buyer may terminate this Agreement by giving notice of termination to Seller (the, "Due Diligence Termination Notice") on or before the last day of the Due Diligence Period. If Buyer does not give the Due Diligence Termination Notice, this Agreement shall continue in full force and effect. If this Agreement terminates pursuant to this Paragraph, the First Deposit, other than the \$5,000.00 identified as non-refundable, shall be refunded to Buyer immediately, and all further rights and obligations of the parties under this Agreement shall terminate. If this Agreement is not terminated pursuant to this Paragraph, Buyer shall have the obligation to immediately place in escrow the Second Deposit and the Deposit (i.e., First Deposit and Second Deposit) which shall then be deemed non-refundable absent Seller's breach. In the event that Buyer would not proceed with this Agreement, it shall furnish to Seller copies of all tests, surveys, reports and inspections obtained by Buyer without cost. Seller shall receive notice of the performance of any tests and inspections and have the right to be present.

Buyer shall have reasonable access to the Premises for the purpose of conducting surveys, architectural, engineering, geotechnical and environmental inspections and tests (including intrusive inspection and sampling), and any other inspections, studies or tests reasonably required by Buyer, but in a manner not disruptive of ongoing business. Seller shall cooperate with Buyer and enforce the provisions of existing tenants' leases, if necessary to facilitate Buyer's access and inspections. Buyer shall keep the Premises free and clear of any liens and will indemnify, defend and hold Seller harmless from all claims and liabilities asserted against Seller as a result of any such entry by Buyer, its agents, employees or representatives. If any inspection or tests disturbs the Premises, Buyer will restore the Premises to the same condition as existed prior to any such inspection or test. Buyer and its agents, employees and representatives shall have a continuing right of reasonable access to the Premises during the pendency of this Agreement for the purpose of examining and making copies of all books and records and other materials relating to the Premises in Seller's or its property manager's possession and Buyer shall have the right to conduct a "walk-through" of the Premises prior to Closing upon appropriate notice to tenants as permitted under the Leases. In the course of its investigations, Buyer may make inquiries to third parties, including, without limitation, tenants, lenders, contractors, property managers, parties to Service Contracts and municipal, local and other government officials and representatives, and Seller consents to such inquiries, provided same are performed in a professional manner and does not disrupt any ongoing business. The obligations of the Buyer under this Paragraph shall survive the termination of this Agreement.

6. TENANT ESTOPPELS. Seller shall secure and deliver to Buyer, no later than five (5) business days before the Closing Date, estoppel certificates from Giant Food Stores, Inc., Pennsylvania Liquor Control Board, McDonalds Corporation and seventy-five percent (75%) of the other tenants in the form of

Exhibit "B" attached hereto ("Tenant Estoppels"). The Tenant Estoppels shall be delivered to the tenants no earlier than twenty (20) days prior to the Closing Date. Seller shall provide Buyer with copies of the Tenant Estoppels for Buyer's review and comment before delivering the Tenant Estoppels to tenants. Buyer's obligation to close the transaction contemplated under this Agreement is subject to the condition that as of Closing: (i) Estoppel Certificates for all Leases consistent with the Rent Roll and the representations of Seller in Paragraph 10 have been delivered to Buyer, (ii) no material default or claim by landlord or tenant shall have arisen under any Leases that was not specifically disclosed in the Rent Roll; and (iii) no tenant shall have initiated or had initiated against it any insolvency, bankruptcy, receivership or other similar proceeding. Seller shall use its best efforts to obtain and timely deliver the required certificates. In the event all required certificates are not available by the date of Closing, Closing shall be continued for up to seven (7) business days to acquire same.

7. SERVICE CONTRACTS. During the Due Diligence Period, the parties will endeavor to agree as to which Service Contracts Buyer will assume and which Service Contracts, to the extent legally possible, will be terminated by Seller at Closing. Buyer will assume the obligations arising from and after the Closing Date under those Service Contracts that are not in default as of the Closing Date and which Seller and Buyer have agreed will not be terminated and those Service Contracts which, by their terms, are not capable of termination at that time. Seller shall terminate at Closing all Service Contracts that are not so assumed and are legally capable of being terminated at that time. Seller shall terminate at Closing, and Buyer shall not assume, any property management agreement affecting the Premises.

8. OPERATIONS AND RISK OF LOSS.

A. Ongoing Operations. During the pendency of this Agreement:

1. Performance Under Leases, Service Contracts and Loans. Seller shall

(i) carry on its business and activities relating to the Premises substantially in the same manner as it did before the date of this Agreement, and (ii) perform its material obligations under the Leases and Service Contracts and other agreements that may affect the Premises. Effective as of the Closing Date, each party agrees to indemnify and hold the other harmless from any default or breach by the other under the Service Contracts and Leases assumed by Buyer.

2. New Contracts. Seller will not enter into any contract that will be an obligation affecting the Premises subsequent to the Closing except contracts entered into in the ordinary course of business that are terminable without cause on thirty (30) days' notice.

3. Listings and Other Offers. Seller will not list the Premises with any broker or otherwise solicit or make or accept any offers to sell the Premises, engage in any discussions or negotiations with any third party with respect to the sale or other disposition of the Premises, or enter into any contracts or agreements (whether binding or not) regarding any disposition of the Premises.

4. Leasing Arrangements. Seller will not amend, terminate or enter into any Lease without Buyer's prior written consent in such instance, which consent shall not be unreasonably withheld, delayed or conditioned.

5. Removal and Replacement of Tangible Personal Property. Seller will not remove any Tangible Personal Property except as may be required for necessary repair or replacement, and replacement shall be of equal quality and quantity as existed as of the time of its removal.

B. Damage. Risk of loss up to and including the Closing Date shall be

borne by Seller. In the event of any material damage to or destruction of the Premises or any portion thereof, Buyer may, at its option, by notice to Seller given within ten (10) days after Seller notifies Buyer of such damage or destruction (and, if necessary, the Closing Date shall be extended to give Buyer the full 10-day period to make such election): (i) terminate this Agreement and the Deposit shall be immediately returned to Buyer, or (ii) proceed under this Agreement, receive any insurance proceeds for property repair and replacement (including any rent loss insurance applicable to any period on and after the Closing Date) due Seller as a result of such damage or destruction and assume responsibility for such repair, and Buyer shall receive a credit at Closing for any deductible, uninsured or coinsured amount under said insurance policies. If Buyer elects (ii) above, Buyer may extend the closing Date for up to an additional 30-day period in which to obtain insurance settlement agreements under Seller's insurers, and Seller will cooperate with Buyer in obtaining the insurance proceeds and such agreements from Seller's insurers. If the Premises is not materially damaged, then Buyer shall not have the right to terminate this Agreement, but Seller shall, at its cost, repair the damage before the Closing in a manner reasonably satisfactory to Buyer or, if repairs cannot be completed before Closing, credit Buyer at Closing for the reasonable cost to complete the repair. "Material damage" and "Materially damaged" means damage (i) reasonably exceeding two (2%) percent of the purchase price to repair, (ii) that entitles a tenant to terminate its Lease, or (iii) which, in Buyer's reasonable estimation, will take longer than ninety (90) days to repair.

C. Condemnation. In the event any proceedings in eminent domain are contemplated, threatened or instituted by any body having the power of eminent domain with respect to the Premises or any portion thereof, Buyer may, at its option, by notice to Seller given within ten (10) business days after Seller notifies Buyer of such proceedings (and, if necessary, the Closing Date shall be extended to give Buyer the full 10-business day period to make such election): (i) terminate this Agreement and all deposit money shall be immediately returned to Buyer, or (ii) proceed under this Agreement, in which event Seller shall, at Closing, assign to Buyer its entire right, title and interest in and to any condemnation award, and Buyer shall have the sole right during the pendency of this Agreement to negotiate and otherwise deal with the condemning authority in respect of such matter.

9. REAL ESTATE TAXES AND ASSESSMENTS.

A. Real Estate Taxes. Real estate taxes and assessments shall be apportioned between the parties as of the date of Closing on a calendar or fiscal year basis, as may be appropriate. All water, sewer, refuse and all other utility charges, and/or lienable charges or assessments shall be paid by Seller up to the time of Closing. Interest and penalties, if any, shall be computed to a date occurring one (1) business day after the Closing Date.

B. Rent. Buyer shall receive a credit for any rent and other income (and any applicable state or local tax on rent) under Leases collected by Seller before Closing that applies to any period after Closing. Uncollected rents and other uncollected income shall not be prorated at Closing. After Closing, Buyer shall apply all rent and income collected by Buyer from a tenant, unless the tenant properly identifies the payment as being for a specific item, first to such tenant's monthly rental for the month in which the Closing occurred and then to arrearages in the reverse order in which they were due, promptly remitting to Seller, after deducting collection costs, any rent properly allocable to Seller's period of ownership. Buyer shall bill and attempt to collect such rent arrearage in the ordinary course of business, but shall not be obligated to engage a collection agency or take legal action to collect any rent arrearage. Seller shall have the right to seek collection of any rents or other required income due applicable to any period before the Closing, upon notice to Buyer, if Seller has not received same, upon sixty (60) days after Closing. Any rent or other income received by Seller after Closing which is owed to Buyer shall be held in trust and remitted to Buyer promptly after receipt. This sub-section B. shall survive the Closing.

C. Additional Rent. Seller, as landlord under the Leases, is

currently collecting from tenants under the Leases additional rent to cover taxes, insurance, utilities, maintenance and other operating costs and expenses (collectively, "Operating Expenses Pass-Throughs") incurred by Seller in connection with the ownership, operation, maintenance, and management of the Premises. If Seller collected estimated prepayments of Operating Expense Pass-Throughs in excess of any tenant's share of such expenses, then, if the excess can be determined by the Closing, Buyer shall receive a credit for the excess or, if the excess cannot be determined at Closing, Buyer shall receive a credit based upon an estimate, and the parties shall make an adjusting payment between them when the correct amount can be determined. In either event, Buyer shall be responsible for crediting or repaying those amounts to the appropriate tenants. If Seller collected estimated prepayments of Operating Expense Pass-Throughs attributable to any period after Closing, Seller shall pay or credit any such amounts to Buyer at Closing. To the extent that estimated payments of Operating Expense Pass-Throughs are required to be paid monthly by any tenant, and at the end of such tenant's lease year, or the calendar year, such estimated amounts are to be recalculated based upon actual amounts for that lease year or calendar year, with the appropriate adjustments being made with such tenants' then-Operating Expense Pass-Throughs for such tenant shall be finally prorated between Seller and Buyer at the time of such reconciliation with the tenant, using the Date of Closing as the proration date. At the time(s) of final calculation and collection from (or refund to) each tenant of the amounts in reconciliation of actual Operating Expense pass-Throughs for such period which have been collected, there shall be a re-proration between Seller and Buyer, taking into account the additional amount collected from (or refunded to) each tenant. In furtherance of the foregoing, if, with respect to any tenant, the recalculated Operating Expense Pass-Throughs is less than the estimated amount paid by such tenant, and a refund is paid by Buyer to such tenant, then the portion of the refund allocable to the period prior to the Closing, to the extent previously paid to or collected by Seller, shall be refunded by Seller to Buyer. If, with respect to any tenant, the recalculated Operating Expense Pass-Throughs exceeds the estimated amount paid by such tenant, and the shortfall is collected by Buyer from such tenant, the portion of such shortfall allocable to the period prior to the Closing, to the extent not previously paid to or collected by Seller, shall be paid by Buyer to Seller. Notwithstanding the foregoing, there shall, however, be an initial proration at Closing with regard to all Operating Expense Pass-Throughs. The Seller shall provide Buyer no later than ten (10) days before the Closing Date with invoices, purchase orders and other documentation sufficient to establish Operating Expense Pass-Throughs for the Property incurred by Seller prior and up to the Closing Date, together with evidence of all amounts collected by tenants as of the Closing Date for such Operating Expense Pass-Throughs, so that Buyer can complete the year-end reconciliation billings to Tenants for Operating Expense Pass-Throughs.

D. Service Contracts. Seller or Buyer, as the case may be, shall receive a credit for regular charges under Service Contracts assumed by Buyer pursuant to this Agreement paid and applicable to Buyer's period of ownership or payable and applicable to Seller's period of ownership, respectively. (It is noted that other than the contract for landscaping services, which runs the end of the calendar year, and the pest control contract, which runs on an annual term, the current term expiring October 16, 2002, all service contracts are terminable upon thirty (30) days notice, except the security contract which is terminable upon ninety (90) days notice.)

E. Leasing Commissions. Leasing commissions for which Seller has paid in advance shall not be apportioned, nor shall Seller receive a credit therefor. However, there are two (2) leasing commission agreements, which are paid annually, to wit: Subway Real Estate Corp. and Holiday Hair, Inc., which commission obligation shall be prorated as of Closing. (Buyer shall be responsible for all further leasing commissions that are billed annually.) Buyer shall furthermore have any and all responsibilities for any leasing commissions due for any and all periods after the Closing Date, to include, with respect to any option to renew or expand not yet exercised by the respective tenant as of Closing. Buyer shall pay all leasing commissions with respect to any new lease or lease amendment executed after the date of this Agreement, provided that Buyer shall pre-approve in writing such new lease or lease amendment and the amount of such commission.

F. Tenant Deposits. All tenant security deposits (and interest thereon if required by law or contract to be earned thereon) shall be transferred or credited to Buyer at Closing. As of the closing, Buyer shall assume Seller's obligations related to tenant security deposits, but only to the extent they are properly credited and transferred to Buyer.

10. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller does represent and warrant to Buyer and will reaffirm at the time of Closing, to wit:

a) Seller has not received notice of condemnation of all or any part of the Premises, notice of any assessment for public improvements, or notices with respect to any zoning ordinance or other law, order, regulation or requirement relating to the use of ownership of the Premises and, so far as known to Seller, there is no violation of any such governmental law, order, regulation or requirement.

b) Seller is not indebted to the federal government or any other public authorities for delinquent taxes, assessment or other charges of any nature whatsoever for which a lien has been or could be asserted against the Seller or the Premises and which will not be fully paid and discharged or released upon or prior to Closing.

c) Seller covenants and agrees that Seller, Seller's agents, servants, employees or tenants, if applicable, shall not in any way materially alter the present state of the Premises so long as this Agreement is in effect.

d) Seller has no knowledge, actual or constructive, that there has been a storage or deposit of hazardous substance on the Premises. Hazardous substances being any such substance as regulated or controlled as a hazardous or toxic substance by any governmental rule, regulation or statute.

e) There are no leases, written or oral, affecting the Premises which Seller is aware of, except for the existing leases, copies of which have all been provided to Buyer. All documents comprising the leases which affect the Premises, including all amendments, modifications, letter agreements, assignments and guaranties thereof or relating thereto have been provided by Seller to Buyer. There are no agreements, written or oral, affecting the Premises or any portion thereof in the nature of leases (including ground leases), concessions, licenses or occupancy agreements, or any amendments, modifications, side letters or guaranties thereof, other than the leases. True and correct copies of the leases have been previously delivered to Buyer.

f) Seller has fee simple title to the Premises, has the full right to enter into this Agreement and perform hereunder, and has not granted any option or entered into any other commitment to sell, lease other as hereinbefore permitted or encumber all or any part of the Premises.

g) Seller has full capacity, right, power and authority to execute, deliver and perform this Agreement and execute and deliver all documents to be executed by Seller pursuant hereto, and all required action therefor has or will by Closing be duly taken.

h) To the best of Seller's knowledge the consummation of the transaction contemplated by this Agreement will not result in a breach of any of the terms and conditions of, or constitute a default under, any agreement to which the Seller is now a party or which affects the Premises or violate or cause to be violated any judgment or decree of any court, administrative agency or governmental body.

i) The representations and warranties made hereunder shall be reaffirmed at Settlement and shall survive for a period of one (1) year from the Closing of this transaction and shall not be merged in the deed from Seller to Buyer.

j) All alterations and improvements required to be performed by the landlord under any of the leases has been completed, all construction and other allowances and monetary concessions required to be paid by the landlord under the leases has been paid, and no tenant under any of the leases is entitled to any free rent or rent concession period. All brokerage fees and commissions due for any period through Closing have been in full, excepting only commissions payable annually or with respect to lease renewal, extension or expansions options which have not yet been exercised by any respective tenant.

k) The Rent Roll attached hereto as Exhibit "A" is hereby certified by Seller to be true and correct as of the date hereof ("Rent Roll Certificate")

and shows for each rentable space in the Premises the tenant name, space number, monthly base or minimum rental, and common area maintenance expense and real estate tax reimbursement amounts, security deposit held, any defaults known by Seller to exist under any lease, the expiration date of each lease and designating any rights to renew or extend a lease. There are no tenant security deposits to be held by the landlord under the leases except as listed in the Rent Roll Certificate. At the Closing, Seller shall deliver to Buyer an updated Rent Roll Certificate. If any adverse change shall occur in such Rent Roll Certificate, Buyer shall have the rights set forth in Section 19.N hereof.

l. Except as expressly set forth on the Rent Roll Certificate, neither Seller as the landlord nor, to Seller's actual knowledge, any tenant under any of the leases is in default under any of the leases, nor to Seller's actual knowledge is there in existence any condition or fact which with notice or passage of time, or both, shall constitute a default by either the landlord or the tenant thereunder. Except as set forth on the Rent Roll Certificate, Seller has not collected base or minimum rent more than one month in advance from any tenant (excluding security deposits). Except as expressly provided in the leases, no tenant shall be entitled to any rebates, rent concessions or free rent. No tenant is presently contesting or raising objection to Operating Expense Pass-Throughs payable under its lease. All tenants are currently in possession and operating and no tenant has given notice that it intends to cease the conduct of business or vacate its premises prior to the expiration of its lease term.

m) Except for lawsuits concerning personal injury and property damage which would be covered under Seller's existing commercial liability insurance policy and defense of which has not been denied by Seller's insurance company, there is no litigation or proceedings pending or, to Seller's knowledge, threatened against, Seller or otherwise related to the Property (including, but not limited to foreclosure, judicial sale, adverse possession, litigations with tenants or other proceedings).

n) Exhibit "C" attached hereto is a true, complete and correct list of all written and oral management, service, equipment, supply, maintenance or concession agreements with respect to or affecting the Premises (the "Service Contracts"). Except as specified on Exhibit "C", no such agreements exist which are not cancelable upon thirty (30) days notice. Each of the Service Contracts is in full force and effect and all amounts due thereunder have been paid in full. Neither Seller nor its agents have received any notice from any party to said agreements claiming the existence of any default or breach thereunder.

o) There are no pending certiorari proceedings or other real estate tax contests or appeals brought by or on behalf of Seller. To Seller's knowledge, the improvements on the Premises are currently fully assessed for tax purposes as completed and occupied improvements and are not currently subject to any tax abatement, exemption or temporary tax reduction of any kind, nor to any assessments/linkage/impact fees relating to the initial construction of the project.

p) EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN ANY DOCUMENT EXECUTED PURSUANT TO OR IN CONNECTION WITH THIS AGREEMENT, THIS SALE AND CONVEYANCE IS MADE ON AN AS-IS WHERE-IS BASIS AND SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PREMISES, THE STATE OF REPAIR OF THE PREMISES, OR WITH RESPECT TO SOIL CONDITIONS OR THE PRESENCE OR RELEASE OF HAZARDOUS MATERIALS. THIS DISCLAIMER DOES NOT EFFECT AN ASSUMPTION OF ANY LIABILITY BY BUYER AND IT SHALL NOT BE CONSTRUED TO WAIVE ANY RIGHTS OF CONTRIBUTION OR INDEMNITY OR OTHERWISE AFFECT THE LIABILITIES OF THE PARTIES TO EACH OTHER OR TO THIRD PARTIES UNDER ENVIRONMENTAL LAWS.

It is understood that the Premises includes an on-site treatment facility (hereinafter, "WWTP"). It is further understood that the WWTP has recently received an appropriate NPDES permit to continue operation of the WWTP through June 1, 2007 conditioned, however, upon the design, modification and upgrade of the organic capacity of the WWTP (formerly known as the "solids handling capacity", and furthermore noting that the treatment capacity of the WWTP is not being enlarged), as so provided in the permit, a true and correct copy of which is attached hereto, marked Exhibit "D", and made a part hereof by reference thereto. Seller is having performed all engineering designs, plans and specifications at Seller's initial cost, subject to reimbursement at Closing by Buyer in accord with the Opinion of Costs for Treatment Plant Organic Upgrade of June 26, 2002, which has been provided to Buyer. Seller shall submit the Water Quality Management, Part II, Permit Application by September 1, 2002, as provided in the permit, Exhibit "D".

In accord with written Agreement with the Church, a copy of which has also been provided to Buyer, Church is responsible for forty-one (41%) percent of the Total Costs to modify the organic capacity of the WWTP to handle certain effluent, as required. Total Cost is herein defined to include design, permitting, construction and any and all other associated direct fees. The balance shall be shared in accord with the use of the tenants of the Premises other than the Church. As it is anticipated that settlement on the Premises between Seller and Buyer will occur prior to construction and completion of the required expansion, and thus prior to issuance of bills reflecting the increased sewer rates, to reimburse Seller and Buyer for such expenditures, Seller and Buyer wish to establish the following duties, rights and protocol concerning this expansion of the WWTP in accord with the NPDES permit, Exhibit "D", assuming settlement shall indeed occur.

With regard to the preparation of the design, plans and specifications for the upgrade of the WWTP, being performed by a sanitary engineer selected by Seller, Buyer shall have the following rights:

- a. approval of plans and specifications, which approval shall not be unreasonably withheld, delayed or conditioned;
- b. approval of the contracts for the actual work, if let prior to Closing, which approval shall not be unreasonably withheld, delayed or conditioned; and
- c. reasonable notice to Buyer and right of Buyer to be present at all governmental meetings with tenants or Church, if any, prior to Closing.

Prior to Closing, the parties shall confirm with Church its obligation of its reimbursement share of forty-one (41%) percent of the Total Cost. With regard to all other tenants, to address Buyer's risk in the event any tenant would object, contest or refuse to pay the increased rate for the required capacity enlargement, Seller will agree to a deduction from the purchase price at Closing of Twenty Thousand and 00/100 (\$20,000.00) Dollars which shall represent Seller's total and final responsibility concerning the failure or refusal of any tenants, to include Church, to fulfill their payment obligations and contribution following Closing. If Church fails or refuses to confirm its obligations no less than ten (10) days prior to Closing, the parties shall enter into a further agreement in a timely manner to equitably adjust such failure/refusal of Church.

12. CLOSING AND DELIVERY OF DEED. Closing shall be held thirty (30) days after completion of the Due Diligence Period, as hereinbefore provided. Closing shall take place by use of an escrow procedure reasonably acceptable to Seller and Buyer and using the Title Company as escrow agent (with all proceeds being wired through the national office of a national title company such as First American Title, Commonwealth Title Insurance Company, Chicago Title Insurance Company or the like) or at the offices of Seller's attorney, unless a different location is approved in writing by the parties. At Closing, Seller shall convey to Buyer good and marketable title to the Premises in the state required under Section 3 hereof by a recordable and transferable special warranty deed. Buyer shall pay one-half (1/2) of the total Pennsylvania realty transfer tax obligation, and shall furthermore contribute Thirty-Three Thousand

Three Hundred and Thirty-Three (\$33,333.00) Dollars toward the balance of said obligation of Seller. In addition to the deed, Seller shall execute and deliver to Buyer at the Closing (i) a general instrument of transfer, including a bill of sale and assignment and assumption of leases, in the form attached as Exhibit "D" hereto, (ii) a FIRPTA Certificate, (iii) an updated Rent Roll Certificate, certified by Seller as being true and correct as of the Closing Date, (iv) an updated schedule of leases, certified by Seller as being true and correct as of the Closing Date, (v) a certificate of Seller, certifying as of Closing Date the continued truth without material change (or identifying any changes therefrom which may not be reflected on the updated Rent Roll Certificate or updated schedule of leases) of all of the representations and warranties of Seller set forth in Section 10 hereof, (vi) the estoppel certificates required under Section 6 hereof, (vii) notices to each tenant advising them of the sale and directing them as to where all future payments of rent and notices should be sent, in form as required by the Buyer (which shall not be sent until after completion of the Closing), (viii) an "information for 1099 form", sufficient in order for the Buyer to report the sale to the Internal Revenue Service, (ix) an affidavit of title in form required by Buyer's title insurance company in order to insure title required to be delivered under Section 3 hereof, and without exception for potential mechanic's lien claims, (x) such other instruments and documents as may be reasonably required by Buyer's title company in order to establish Seller's due existence and good standing and authority to complete the transaction contemplated by this Agreement, (xi) originals (to the extent within Seller's possession or control) of each of the Property Information, current as of the Closing Date (in particular, but without limitation, originals of all leases) and (xii) such other instruments or documents as may be otherwise referred to in this Agreement or which may be reasonably required in order to complete the transactions contemplated in this Agreement. Seller shall deliver full and exclusive possession of the Property to Buyer on the Closing Date, subject only to rights of tenants under the leases, as tenants only.

13. BROKER/SELLER'S AGENT. It is understood that Seller shall be responsible for a real estate commission to Cassidy & Pinkard, and shall save Buyer harmless for liability therefor. Each party represents to the other that they have not dealt with any other broker on this transaction and will save harmless and indemnify the other for any claims for real estate commissions or other fees brought by any broker or other person claiming to have dealt with such party.

14. GOVERNING LAW. This Agreement shall be construed and governed pursuant to the laws of the Commonwealth of Pennsylvania.

15. SELLER'S DEFAULT. If there shall occur a material breach of a representation or warranty of Seller under this Agreement, or if Seller shall otherwise fail to perform its obligations as required under this Agreement, then Buyer may elect to (i) accept title to the Premises subject to the defaulted obligation of Seller, (ii) terminate this Agreement, in which event the Escrow Agent shall disburse the Deposit to Buyer and Seller shall reimburse Buyer for all costs incurred in Buyer's performance of due diligence with a limit of Twenty-Five Thousand (\$25,000.00) Dollars, or (iii) bring an action against Seller for specific performance of this Agreement, and Buyer shall have the right to recover from Seller in such action its reasonable attorneys' fees and disbursements incurred in connection therewith. In the event Seller's default is a Willful Default (as hereinafter defined), Seller shall reimburse Buyer for all reasonable costs incurred in Buyer's performance of due diligence, plus the sum of One Hundred Thousand (\$100,000.00) Dollars. The term "Willful Default" as used in this Agreement shall mean an intentional failure of Seller to observe or perform a material covenant or condition of this Agreement, the observance or performance of which is strictly within Seller's reasonable control (by way of example, but not way of limitation, the intentional refusal of Seller to convey title or the creation by Seller of the imposition of additional substantial liens on the Premises prior to Closing which Seller will not discharge at Closing shall be considered Seller's "Willful Default"). A general partnership, of which the sole shareholder of Caldwell Development, Inc., Mark G. Caldwell, is a general partner, and Mark G. Caldwell, individually, have also entered into sales agreements, contemporaneously herewith, with Buyer for properties identified as Fairview Plaza (Double M Development) and Halifax Plaza (Mark G.

Caldwell, Individually). It is agreed that, if a default has occurred by Seller in any of these agreements, the same shall be deemed a default hereunder.

16. BUYER'S DEFAULT. If this transaction fails to close due to the default of Buyer, then Seller's sole remedy in such event shall be to terminate this Agreement and to retain the deposits as liquidated damages, Seller waiving all other rights or remedies in the event of such default by Buyer. The parties acknowledge that Seller's actual damages in the event of a default by Buyer under this Agreement will be difficult to ascertain, and that such liquidated damages represent the parties' best estimate of such damages. Buyer shall have no other remedies other than as specifically stated. Buyer has also entered into sales agreements, contemporaneously herewith, with a general partnership, Double M Development, of which Seller is a general partner, and with Mark G. Caldwell, individually, for properties commonly identified as Fairview Plaza and Halifax Plaza and a default by Buyer in any of these agreements shall constitute a default hereunder.

17. ATTORNEYS' FEES. The unsuccessful party in any litigation arising from breach or alleged breach of this Agreement will reimburse the successful party for any and all reasonable legal fees incurred in curing or attempting to cure a default.

18. AMENDMENT. This Agreement shall not be altered, amended, changed or modified except in writing by the parties hereto.

19. NOTICES. All notices required to be given by any of the provisions of this Agreement, unless otherwise stated, shall be in writing and delivered in person, by facsimile (with a copy concurrently sent out the same day by nationally recognized overnight delivery service), by certified mail, return receipt requested or by nationally recognized overnight delivery service, postage or shipping charges prepaid (or on standing account) to the appropriate party at the address set forth below or to such other address as such parties may hereafter specify by notice given in accordance with this section. All notices to be set forth below.

a) To the Seller:
Caldwell Development, Inc.
Attn: Mark G. Caldwell, President
434 North Front Street
Wormleysburg, PA 17043

With a copy to:
James R. Clippinger, Esquire
Caldwell & Kearns
3631 North Front Street
Harrisburg, PA 17110

b) To the Seller:

Cedar Income Fund Partnership, L.P.
44 South Bayles Avenue
Port Washington, NY 11050
Attn: Leo S. Ullman, President

With a copy to:
Warren S. Sacks, P.C.
777 Westchester Avenue, Suite 204
White Plains, NY 10604

Notices shall be deemed given on the date received, or if delivery is refused, on the date delivery is first attempted, provided however that notices by facsimile shall be deemed given on the date transmitted at or before 5:00 P.M., provided a copy is sent out the same day by nationally recognized overnight delivery service.

20. EXTENSION OF CLOSING DATE. Buyer may unilaterally extend the time for Closing for a period up to thirty (30) days, provided Buyer provides Seller written notice specifying the reason for extension of Closing no later than ten (10) days prior to the date previously scheduled, and provided payments to Seller are made of Two Thousand Five Hundred (\$2,500.00) Dollars per day for each additional day required for extension. It is understood that all such payment(s) shall be earned upon receipt and added to the purchase price.

21. MISCELLANEOUS

A. Parties Bound. Neither party may assign this Agreement without the prior written consent of the other, and any such prohibited assignment shall be void; provided, however, that Buyer and/or Seller may assign this Agreement without Seller's consent to an affiliate or to effect an exchange pursuant to Paragraph 19.K. herein. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties. For the purposes of this Paragraph, the term "affiliate" means (i) an entity that directly or indirectly controls, is controlled by or is under common control with the Buyer or of which Buyer or its affiliated entity is the general partner or managing member, or (ii) an entity at least a majority of whose economic interest is owned by Buyer; and the term "control" means the power to direct the management of such entity through voting rights, ownership or contractual obligations.

B. Paragraph Headings. All references to paragraph headings are for convenience only and shall neither limit nor expand any of the written terms of this Agreement.

C. Time is of the Essence. Time is of the essence with regard to the respective duties and obligations of the parties hereto.

D. Survival. The provisions of this Agreement that contemplate performance after the Closing and the obligations of the parties not fully performed at the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments at Closing.

E. No Third Party Beneficiary. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third party beneficiary, decree or otherwise.

F. Complete Agreement. This Agreement contains the entire and binding agreement between Seller and Buyer. There are no other terms, obligations, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever concerning this sale.

G. Confidentiality. Seller shall make no public announcement or disclosure of any information related to this Agreement to outside brokers or third parties, before or after the Closing, without the prior written specific consent of Buyer; provided, however, that Seller may make disclosure of this Agreement to its lenders, creditors, officers, employees and agents to perform its obligations hereunder.

H. Consents. Any consents required to be obtained in accord with this Agreement shall not be unreasonably withheld, conditioned or delayed.

I. Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and agree that the normal rule of construction, to the effect that any ambiguities are to be resolved against the drafting party, shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

J. Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included at, unless such last day is a Saturday, Sunday or legal holiday for national banks, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The last day of any period of time described herein shall be deemed to end at 5:00 p.m. daylight savings time.

K. Execution in Counterparts. This Agreement 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 Agreement, the parties may execute and exchange by telephone facsimile counterparts of the signature pages.

L. Section 1031 Exchange. Both Buyer and Seller shall have the right to consummate this transaction as part of a so-called like kind exchange (the, "Exchange") pursuant to ss.1031 of the Internal Revenue Code of 1986, as amended (the, "Code"), provided that: (i) the Closing shall not be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to either party's obligation under this Agreement, (ii) the party engaging in the Exchange shall effect the Exchange through an assignment of this Agreement, or its rights under this Agreement, to a qualified intermediary; (iii) neither party shall be required to take an assignment of the purchase agreement for the relinquished property or be required to acquire or hold title to any real property for purposes of consummating the Exchange; (iv) the party engaging in the Exchange shall pay any additional costs that would not otherwise have been incurred by the other had the transaction not been consummated through the Exchange. Neither party shall by this agreement or acquiescence to the Exchange: (a) have their rights under this Agreement affected or diminished in any manner, or (b) be responsible for compliance with or be deemed to have warranted to the other that the Exchange in fact complies with ss.1031 of the Code.

M. Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at Closing, each party agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after Closing, any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Premises to Buyer.

N. Changed Circumstances. If any event shall occur after the Commencement Date, and before the Closing Date, which is not caused by Seller ("Changed Circumstances"), that renders untrue any representation or warranty made by Seller in this Agreement, it shall not constitute a breach by Seller of such representation or warranty, and Seller's reaffirmation of such representation or warranty at Closing may be qualified by such Changed Circumstance. If Seller shall obtain knowledge of any Changed Circumstance, Seller shall provide notice thereof to Buyer within a reasonable period of time. In the event Buyer receives actual notice of any Material Changed Circumstance, whether from Seller or any other source, including its own investigations, then Buyer shall have the right to terminate this Agreement, in which event both parties shall be relieved from any further obligation under this Agreement, and the Deposit shall be returned to Buyer. For purposes of this Agreement, a "Material" Changed Circumstance shall be one that (when taken together with all other Changed Circumstances) would be reasonably expected to decrease the annual net operating income of the Property by more than one and one-half of one percent or would otherwise reasonably be considered material by a Buyer of similar properties.

IN WITNESS WHEREOF, the parties, representing to each other that the authorized representative of the party executing on behalf of each party is duly authorized and has the ability to so execute the document on behalf of that party, have caused this Agreement to be executed as of the day and year first above written.

BUYER:

ATTEST:

CEDAR INCOME FUND PARTNERSHIP, L.P.

By: _____

Title: _____

SELLER:

ATTEST:

CALDWELL DEVELOPMENT, INC.

By: _____

Title: _____

(Signatures continue on next page)

Escrow Agent hereby acknowledges receipt of The First Deposit and agrees to hold and disburse The Deposit in accordance with all of the terms and conditions of the foregoing Agreement.

ESCROW AGENT

By: _____

42260

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LIMITED PARTNERSHIP AGREEMENT

OF

NEWPORT PLAZA ASSOCIATES, LP

Property: Newport Plaza, Newport, Pennsylvania

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LIMITED PARTNERSHIP AGREEMENT OF
NEWPORT PLAZA ASSOCIATES, LP

This Limited Partnership Agreement (this "Agreement") is entered into as of January 7, 2003, between CIF-Newport Plaza ASSOCIATES, LLC, a Delaware limited liability company (the "Developer Partner"), and FAIRPORT ASSOCIATES, L.P., a Delaware limited partnership (the "Limited Partner").

ARTICLE 1

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Act" means the Delaware Revised Uniform Limited Partnership Act, as it may be amended from time to time.

"Additional Capital Contribution" has the meaning assigned to such term in Section 6.2.

"Adjusted Capital Account Deficit" means, with respect to any Partner for any taxable year or other period, the deficit balance, if any, in such Partner's Capital Account as of the end of such year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Partner is obligated to restore or is deemed obligated to restore as described in the penultimate sentence of Regulation Section 1.704-2(g)(1) and in Regulation Section 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

"Affiliate" means, with respect to a Person, another Person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Person in question. The term "control" as used in the preceding sentence means, with respect to a Person that is a corporation, the right to exercise, directly or indirectly, more than 5% of the voting rights attributable to the shares of the controlled corporation, and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled Person.

"Approved Loans" shall mean loans made to the Partnership which are approved in writing by the Limited Partner. The Mortgage Loan shall be an Approved Loan.

"Bankruptcy" means, with respect to a Person, the occurrence of (1) an assignment by the Person for the benefit of creditors; (2) the filing by the Person of a voluntary petition in bankruptcy; (3) the entry of a judgment by any court that the Person is bankrupt or insolvent, or the entry against the Person of an order for relief in any bankruptcy or insolvency proceeding; (4) the filing of a petition or answer by the Person seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (5) the filing by the Person of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding for reorganization or of a similar nature; (6) the consent or acquiescence of the Person to the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties; or (7) any other event which would cause the Person to cease to be a Partner of a limited partnership under Section 18-304 of the Act.

"Business Day" means any day other than Saturday, Sunday, or other day on which commercial banks in New York are authorized or required to close under the laws of the State of New York.

"Capital Account" shall have the meaning set forth in Section 9.1.

"Capital Contribution" means, with respect to each Partner, the amount of (a) cash and the initial Gross Asset Value of any property (net of liabilities assumed by the Partnership resulting from such contribution and liabilities to which the property is subject) contributed to the Partnership by that Partner plus (b) with the Limited Partner's written consent, the amount of such Partner's payments made to creditors of the Partnership after the date hereof with respect to Partnership obligations (until such amount is reimbursed to such Partner).

"Capital Proceeds" means funds of the Partnership arising from a Capital Transaction, less (a) the actual costs incurred by the Partnership with third parties in consummating the Capital Transaction, (b) the amount of any Approved Loan repaid from such funds, and (c) reserves approved by the Partners in amounts reasonably estimated to be required to pay Partnership or expenses.

"Capital Transaction" means the sale, financing, refinancing or similar transaction of or involving any part or all of the Project Interests (including condemnation awards, payment of title insurance proceeds or casualty loss insurance proceeds [other than business interruption or rental loss insurance proceeds], to the extent such awards and proceeds are not applied to mortgage indebtedness and not used to repair damage caused by a casualty or taking or in alleviation of any title defect).

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"Certificate" shall mean a certificate of limited partnership dated December 16, 2002 filed pursuant to the Act forming the Partnership.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any corresponding provisions of succeeding law.

"Depreciation" means, for each taxable year or other period, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for the year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of the year or other period, Depreciation will be an amount which bears the same ratio to the beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for the year or other period bears to the beginning adjusted tax basis, provided that if the federal income tax depreciation, amortization, or other cost recovery deduction for the year or other period is zero, Depreciation will be determined with reference to the beginning Gross Asset Value using any reasonable method selected by the General Partner, subject to the Limited Partner's approval. Notwithstanding the foregoing of this definition, if the Company has adopted the "remedial allocation method" described in Section 1.704-3(d) of the Regulations with respect to any asset, Depreciation for such asset shall be determined in accordance with Section 1.704-3(d)(2) of the Regulations, rather than in accordance with the preceding sentence.

"Fairport Partnership Agreement" shall mean the Partnership Agreement of Fairport Associates, L.P. dated as of January 8, 2003 between Kimco Preferred Investor III, Inc. and CIF-Fairport Associates, LLC, as the same may hereafter be amended or restated.

"GAAP" means generally accepted accounting principles, consistently applied.

"General Partner" means the Partner designated as a General Partner in accordance with this Agreement, until such Person ceases to be the General Partner.

"Gross Asset Value" has the meaning assigned to it in Section 9.2.

"Lease Parameters" shall mean the lease parameters that the Developer Partner and the Limited Partner agree upon from time to time in writing.

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"Major Decision" has the meaning assigned to such term in Section 4.1(b).

"Management Agreement" has the meaning assigned to such term in Section 4.8.

"Mortgage" has the meaning assigned to such term in Section 14.2.

"Mortgage Loan" shall mean the mortgage loan in the sum of \$5,535,000 to be made by Citizen's Bank of Pennsylvania to the Partnership pursuant to a Loan Agreement to be entered into between the Partnership and Citizen's Bank of Pennsylvania.

"Net Cash Flow" for any period means Net Operating Income for such period less debt service on Approved Loans actually paid during such period.

"Net Operating Income" for any period means the amount by which Operating Revenues for such period exceed Operating Expenses for such period.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a given period equals the excess, if any, of the net increase, if any, in the amount of Partnership Minimum Gain during such period, over the aggregate amount of any distributions during such period of proceeds of a Nonrecourse Liability that are allocable to an increase in Partnership Minimum Gain, determined according to the provisions of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"Operating Budget" means the annual budget, prepared by the General Partner and submitted in writing to, and approved by, the Limited Partner, and setting forth the estimated capital and operating expenses of the Partnership for the then current or immediately succeeding calendar year and for each month and each calendar quarter of such calendar year, in such detail as the Limited Partner shall reasonably require.

"Operating Expenses" means, for any period, amounts actually paid by the Partnership for such period (calculated on a cash basis), for operating expenses of the Project, for capital expenditures not paid from the Partners' Capital Contributions, for indemnification obligations incurred under Section 4.9 and for reserves actually funded and approved by the Limited Partner (or permitted under the current Operating Budget). Operating Expenses shall not include debt service on Approved Loans, and any non-cash expenses such as depreciation or amortization.

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"Operating Revenues" means, for any period, the gross receipts of the Partnership (calculated on a cash basis) arising from the ownership and operation of the Project during such period, including proceeds of any business interruption insurance maintained by the Partnership from time to time, but specifically excluding Capital Proceeds and Capital Contributions.

"Partner Nonrecourse Debt" means "partner nonrecourse debt" as defined in Regulations Sections 1.704-2(b)(4).

"Partner Nonrecourse Debt Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Partner Nonrecourse Deductions" means "partnership nonrecourse deductions" as defined in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"Partners" means the Limited Partner, the Developer Partner, and each Person hereafter admitted as a Partner in the Partnership in accordance with this Agreement, until such Person ceases to be a Partner of the Partnership.

"Partnership" means Newport Plaza Associates, LP, a Delaware limited partnership, or any successor thereto.

"Partnership Interests" means all of the rights and interests of whatsoever nature of the Partners in the Partnership, including without limitation the right to participate in management to the extent herein expressly provided, to receive distributions of funds, and to receive allocations of income, gain, loss, deduction, and credit.

"Partnership Minimum Gain" means "partnership minimum gain" as defined in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Person" means an individual or entity.

"Profits" and "Losses" mean, for each taxable year or other

period, an amount equal to the taxable income or loss of the Partnership for the year or other period, determined in accordance with Section 703(a) of the Code (including all items of income, gain, loss or deduction required to be stated separately under Section 703(a)(1) of the Code), with the following adjustments:

1. Any income that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses will be added to taxable income or loss;

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2. Any expenditures described in Code Section 705(a)(2)(B) or treated as Section 705(a)(2)(B) expenditures under Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses, will be subtracted from taxable income or loss;

3. Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Gross Asset Value of the property, notwithstanding that the adjusted tax basis of the property differs from its Gross Asset Value;

4. In lieu of depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there will be taken into account Depreciation for the taxable year or other period;

5. Any items which are specially allocated under Section 9.3(c), 9.3(d), or 9.3(e) will not affect calculations of Profits or Losses; and

6. If the Gross Asset Value of any Partnership asset is adjusted under Section 9.2(b) or 9.2(c), the adjustment will be taken into account as gain or loss from disposition of the asset for purposes of computing Profits or Losses.

"Project" means the land and the improvements located thereon known as Newport Plaza, located in Newport, Pennsylvania, consisting of approximately 11.99 acres with a shopping center constructed thereon.

"Regulations" means the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Regulations shall include any corresponding provisions of succeeding, similar, substitute proposed or final Regulations.

"Regulatory Allocations" has the meaning assigned to it in Section 9.4(d).

"Removal Event" has the meaning assigned to such term in Section 4.4.

"Sharing Ratios" means the percentages in which the Partners participate in, and bear, certain Partnership items specified in this Agreement. The initial Capital Sharing Ratios of the Partners are as follows:

Developer Partner	1%
Limited Partner	99%

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"Transfer" means, with respect to a particular property, right or interest, the assignment, sale, transfer, pledge, disposition, hypothecation, mortgage, pledge or the grant of a lien or security interest in such right or interest (or any part thereof), whether voluntarily, involuntarily or by operation of law, and whether for consideration or no consideration.

ARTICLE 2

ORGANIZATIONAL MATTERS; PURPOSE; TERM

Section 2.1. Formation of Partnership. The Partnership has been organized as a Delaware limited partnership by filing the Certificate under the Act.

Section 2.2. Name. The name of the Partnership shall be Halifax Plaza Associates, LP, and all Partnership business must be conducted in that name or such other name as the General Partner and the Limited Partner approve.

Section 2.3. Registered Office; Registered Agent; Principal Office. The registered office and the registered agent of the Partnership shall be as specified in the Certificate or as designated by the General Partner with the

Limited Partner's approval. The principal office of the Partnership shall be at c/o SKR Brentway, 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, or at such other location as the General Partner and the Limited Partner approve.

Section 2.4. Foreign Qualification. Before the Partnership conducts business in any jurisdiction other than Delaware, the General Partner shall cause the Partnership to comply with all requirements necessary to qualify the Partnership as a foreign limited partnership in that jurisdiction. At the request of the General Partner, each Partner shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue, or terminate the Partnership as a foreign limited liability Partnership in all jurisdictions in which the Partnership may conduct business.

Section 2.5. Purpose and Scope; Actions Consistent with Certificate. The purposes and scope of the Partnership's activities are strictly limited to acquiring, maintaining, owning, leasing, and selling the Project; financing the foregoing activities; and performing all other activities reasonably necessary or incidental to the furtherance of such purposes. The Partnership shall not take any action inconsistent with the Certificate and, to the extent of any inconsistencies between this agreement and the provisions of the Certificate, provisions of the Certificate shall control. The Partnership shall conduct its business at all times so as to comply with the requirements of the Certificate. The provisions of this Section 2.5 are subject in all respects to the "special purpose entity" provisions of Article 12. In addition, the Partnership shall at all times conduct its business so as to comply with the provisions of Article 12 of this Agreement, notwithstanding any other provision in this Agreement to the contrary. The Partners acknowledge receipt of the documents evidencing and securing the Mortgage Loan and are aware of provisions in such documents providing for a default upon occurrence of, among other things, certain property transfers and transfers of interests in the Partnership; the incurrence of certain indebtedness; the creation of certain liens; and the liquidation or dissolution of the Partnership or the General Partner, in each case as more particularly set forth in the documents evidencing or securing the Mortgage Loan.

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Section 2.6. Term. The Partnership shall commence on the effective date of the Certificate and shall terminate on May 31, 2037, unless sooner dissolved as herein provided.

ARTICLE 3

PARTNERSHIP; DISPOSITIONS OF INTERESTS

Section 3.1. Partners. The initial Partners of the Partnership are the Limited Partner and the Developer Partner, each of which is admitted to the Partnership as a Partner as of the date hereof.

Section 3.2. Dispositions of Partnership Interests.

(a) General Restriction. No Partner may Transfer all or any portion of its Partnership Interest, except with the consent of the other Partner or as permitted in Sections 3.2(b) or 3.2(c). Any attempted Transfer of all or any portion of a Partnership Interest, other than in strict accordance with this Section 3.2, shall be void. Except as permitted in Sections 3.2(b) or 3.2(c), a Person to whom a Partnership Interest is Transferred may be admitted to the Partnership as a Partner only with the consent of the other Partner, which may be given or withheld in the other Partner's sole and absolute discretion. In connection with any Transfer of a Partnership Interest or any portion thereof, and any admission of an assignee of a Partnership Interest as a Partner, the Partner making such Transfer and the assignee shall furnish the other Partner with such documents regarding the Transfer as the other Partner may reasonably request (in form and substance reasonably satisfactory to the other Partner), including a copy of the Transfer instrument, a ratification by the assignee of this Agreement (if the assignee is to be admitted as a Partner), a legal opinion that the Transfer complies with applicable federal and state securities laws, and a legal opinion that the Transfer will not result in the Partnership's termination under Section 708 of the Code. For purposes hereof, a Transfer shall be deemed to have occurred with respect to a Partner's Partnership Interest upon any Transfer of an interest in that Partner or in any entity which directly or indirectly controls such Partner.

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(b) Permitted Transfers. The Developer Partner may assign all or a portion of its Partnership Interest (direct or indirect) with the consent of Limited Partner, such consent not to be unreasonably withheld, to any

Affiliate of the Developer Partner (in which Developer Partner owns at least a 51% interest) or to an Affiliate of Cedar Income Fund Partnership, L.P. (in which Cedar Income Fund Partnership, L.P., directly or indirectly, owns at least a 51% interest) and, at the election of the Developer Partner, upon any assignment that transferee shall be admitted as a Partner. Transfers of interests in the Developer Partner may also be made (without Limited Partner's consent) to Affiliates of Developer Partner or Cedar Income Fund Partnership, L.P. so long as not more than 49% of such interests, in the aggregate, are Transferred and Limited Partner receives prior written notice thereof. Transfers of interests in Cedar Income Fund Partnership, L.P. may be made at any time without Limited Partner's consent. The Limited Partner may Transfer its interests only with the written consent of Kimco Preferred Investor III, Inc., its successors and assigns.

Section 3.3. Creation of Additional Partnership Interests. Additional Partnership Interests may be created and issued to existing Partners or to other Persons, and such other Persons may be admitted to the Partnership as Partners, with the approval of the General Partner and the Limited Partner, on such terms and conditions as the General Partner and the Limited Partner may determine at the time of admission. The General Partner may reflect the admission of any new Partners or the creation of any new class or group of Partner in an amendment to this Agreement which shall be valid if executed by the General Partner and Limited Partner.

Section 3.4. Resignation; Redemption. A Partner may not resign or withdraw from the Partnership without the consent of the other Partners. A Partnership Interest may not be redeemed or purchased by the Partnership without the written consent of the Limited Partner.

Section 3.5. Information. In addition to the other rights specifically set forth in this Agreement, each Partner is entitled to the following information under the circumstances and conditions set forth in the Act: (a) true and full information regarding the status of the business and financial condition of the Partnership; (b) promptly after becoming available, a copy of the Partnership's federal, state and local income tax returns for each year; (c) a current list of the name and last known business, residence or mailing address of each Partner and General Partner; (d) a copy of this Agreement, the Partnership's certificate of formation, and all amendments to such documents; (e) true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner; and (f) other information regarding the affairs of the Partnership to which that Partner is entitled pursuant to Section 17-305 of the Act (including all Partnership books and records). Under no circumstances shall any information regarding the Partnership or its business be kept confidential from any Partner.

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Section 3.6. Liability to Third Parties. No Partner shall be liable for the debts, obligations or liabilities of the Partnership.

ARTICLE 4

MANAGEMENT OF PARTNERSHIP

Section 4.1. Management.

(a) General Partner. The Developer Partner shall initially be the sole General Partner. The General Partner shall manage the affairs of the Partnership and make all decisions with regard thereto, except where (1) the Limited Partner's approval is required under this Agreement or (2) the approval of any of the Partners is expressly required by a non-waivable provision of applicable law. The Limited Partner shall have sole authority to enforce any agreement between the Partnership and the Developer Partner (or its Affiliates) and to make all determinations on behalf of the Partnership with respect thereto, which determinations shall be reasonably made.

(b) Actions Requiring Approval of the Limited Partner. Neither the General Partner nor the Partnership may take any action described below (the "Major Decisions") unless it has been approved in writing by the Limited Partner (and any such action taken without Limited Partner's written consent shall be null and void):

(1) Any sale, transfer, exchange, mortgage, financing, hypothecation or encumbrance (except as otherwise provided in this Agreement) of all or any part of the Project, or any lease of the entire Project; however, the General Partner may make incidental sales, exchanges, conveyances, or transfers of Partnership personalty or fixtures in the ordinary course of business if such transaction, together with all other such transactions in the calendar year in question, involves property having a value or sales price of less than \$25,000 in the aggregate. The Partners approve the

assumption by the Partnership of the Mortgage Loan and the Partners approve the execution by the Partnership of any document necessary to evidence or secure the obligation of the Partnership to assume, repay and secure the Mortgage Loan. Notwithstanding the foregoing, if the Developer Partner is the General Partner, no sale, transfer or exchange of the Project shall be permitted prior to and including January 31, 2008.

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(2) Determination of major accounting policies of the Partnership, including selection of accounting methods and making various decisions regarding treatment and allocation of transactions for federal and state income, franchise or other tax purposes.

(3) Determination of the terms and conditions of all borrowings of the Partnership and the identity of the lender thereof; guaranty the debt of any other Person, or permit the Partnership to incur any debt or other obligations other than Approved Loans or trade payables with respect to the Project. The Limited Partner has approved the Mortgage Loan as a permitted borrowing of the Partnership. Notwithstanding the provisions of Sections 4.1(b)(1), 4.1(b)(3) and 4.1(b)(7), the General Partner may at any time, without the consent of the Limited Partner, cause the Partnership to refinance the Mortgage Loan or any other Approved Loan with an institutional lender on terms no less favorable than those in effect at the time of the refinance, so long as (a) Limited Partner receives notice of such refinancing at least thirty (30) days prior to closing and also receives copies of all loan document drafts prior to closing and (b) such refinancing does not require payment of any prepayment premium, yield maintenance fee or similar fee to the existing lender (which, when considered together with all other terms of such refinancing, would result in overall terms less favorable than those in effect at the time of such refinance).

(4) Making any expenditure or incurring any obligation by or for the Partnership in excess of 120% of the amount set forth therefor on an Operating Budget; however, if emergency repairs to the Project are necessary to avoid imminent danger of injury to the Project or to an individual, the General Partner may cause the Partnership to make such expenditures as may be necessary to alleviate such situation and shall promptly notify the Limited Partner in writing of the event giving rise to such repairs and the actions taken with respect thereto.

(5) Requiring Additional Capital Contributions.

(6) Approval of the execution of any lease of any part or all of the Project, the form of lease agreements, guidelines for minimum rental rates, minimum and maximum length of lease terms, brokerage commissions, credit standing of tenants, and approval of any lease amendments which extend the lease term by more than one year (unless the right to extend is set forth in the lease), reduce the rent or give a tenant additional rights or options; notwithstanding the foregoing, the Partnership shall be permitted (without the consent of Limited Partner) to execute leases and lease amendments that (i) meet the Lease Parameters and (ii) are on a form of lease or lease amendment that has been approved by the Limited Partner. The Partnership may also execute lease amendments without the written consent of the Limited Partner if the lease amendment does not extend the lease term by more than one year.

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(7) Approval of property manager, leasing agents, management agreements, construction contracts, and brokerage agreements for the Project; insurance coverages, the underwriters thereof and claims related thereto; zoning changes, reciprocal operating agreements, cross-easement agreements and similar agreements; annual Operating Budgets, including the amount of reserves for capital improvements, replacements and purchases, tenant improvements, and leasing commissions included in such Operating Budget; material modifications of any of the foregoing; and all matters relating to the Project's compliance with environmental, health, access, and other laws, if and to the extent that any of the foregoing agreements or actions to be entered into or taken by the Partnership shall be outside the ordinary course of business of the Partnership (unless approval of a particular matter is required by another express term of this Agreement), although General Partner shall provide Limited Partner with copies of any of the foregoing items before finalizing such items whether or not Limited Partner's approval is required; and provided further that all insurance coverages shall comply with insurance required by any Mortgage Loan and all liability policies shall name Limited Partner as an additional insured.

(8) Using or referencing in any way the name of, or any affiliation with, the Kimco Realty Corporation or any of its Affiliates in any advertising.

(9) Taking of any legal action (including the filing

of any bankruptcy or insolvency proceeding by or on behalf of the Partnership), except approval of the Partnership initiating action to collect rentals and other amounts payable to the Partnership under leases and other occupancy agreements affecting the Project and evicting tenants and terminating the leases of tenants who are in default under their leases and defending against tenant claims and liability claims for which the Partnership maintains insurance (except that the Partnership may not terminate any lease of a tenant who is not in default under its lease without the Limited Partner's written consent).

(10) Filing of any petition or consenting to the filing of any petition that would subject the Partnership to a Bankruptcy.

(11) Entering into any agreement with the Developer Partner or an Affiliate of the Developer Partner.

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(12) Merging or consolidating the Partnership, with or into any Person, or dissolving, terminating or liquidating the Partnership.

(13) Amend or terminate the Certificates.

(14) Permit the Partnership to enter into any leases (or amendments of leases) of the Project or undertake any other activity if the rent from Project leases would (assuming the Limited Partner were the sole owner of the Project) fail to qualify as "rents from real property" (as such term is defined in ss. 856 of the Code) or would subject Limited Partner or Kimco Realty Corporation to taxes under sections 857 or 4981 of the Code. For example, a "percentage rent" or other provision in a lease providing for payment of a portion of rent based on the income or profits of a tenant, unless such clause is based on a fixed percentage or percentages of gross receipts or gross sales, would be prohibited unless consented to by the Limited Partner. (Such a percentage rent clause may be based upon gross receipts or sales in excess of a fixed dollar amount, but only if (i) the fixed dollar amount does not depend in whole or in part on the income or profits of the tenant, and (ii) the percentage and the fixed amount must be fixed at the time the lease is executed and may not be renegotiated during the term of the lease).

(15) Permit the Partnership to approve a sublease of the Project having any percentage rent clauses, other than percentage rent clauses complying with the immediately preceding subparagraph 14.

(16) Engage directly in construction activities without using an independent contractor or independent subcontractors (for example, construction of tenant improvements) without the written consent of the Limited Partner, unless the costs of such construction activities are within the Approved Budget or are otherwise approved by the Limited Partner.

(17) Permit the Partnership to increase, modify, consolidate, prepay, or extend any Approved Loan. Notwithstanding the provisions of Sections 4.1(b)(1), 4.1(b)(3) and 4.1(b)(7), the General Partner may at any time, without the consent of the Limited Partner, cause the Partnership to refinance the Mortgage Loan or any other Approved Loan with an institutional lender on terms no less favorable than those in effect at the time of the refinance, so long as (a) Limited Partner receives notice of such refinancing at least thirty (30) days prior to closing and also receives copies of all loan document drafts prior to closing and (b) such refinancing does not require payment of any prepayment premium, yield maintenance fee or similar fee to the existing lender (which, when considered together with all other terms of such refinancing, would result in overall terms less favorable than those in effect at the time of such refinance).

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(18) Make any loans to the Partnership, any Partner, any Affiliate of a Partner, or any other party.

(19) Cause the Partnership to make any distribution of property in kind to any Partner.

(20) Change the nature of the business conducted by the Partnership.

(21) Take any action inconsistent with the Certificate.

(c) Obligations of the General Partner. The General Partner shall discharge its duties in a good and proper manner as provided for in this Agreement. The General Partner, on behalf of the Partnership, shall in good faith use all reasonable efforts to implement all Major Decisions approved by the Limited Partner, enforce agreements entered into by the Partnership, and conduct the ordinary business and affairs of the Partnership in accordance with

good industry practice and this Agreement. The General Partner shall not delegate any of its rights or powers to manage and control the business and affairs of the Partnership without the prior written consent of the Limited Partner.

(d) Operating Budgets. The Partnership shall operate under an annual Operating Budget, draft of which shall be prepared and submitted by the General Partner to the Limited Partner for approval. After a draft annual Operating Budget has been approved, the General Partner shall use diligent good faith efforts to implement the Operating Budget on behalf of the Partnership and may cause the Partnership to incur the expenditures and obligations therein provided. Within 45 days after the date hereof the General Partner shall prepare and submit to the Limited Partner for approval a proposed Operating Budget for the period beginning with the anticipated acquisition date of the Project and ending on December 31, 2003. If an Operating Budget is not approved by the Limited Partner by the acquisition date of the Project, the General Partner may incur commercially reasonable expenses to operate the Project; however, no expenditures shall be made for capital items, to Affiliates of the Developer Partner (other than payment of the Management Fee in accordance with the Property Management Agreement), or in excess of \$10,000 without the approval of the Limited Partner. Thereafter, the General Partner shall deliver to the Limited Partner for approval a proposed Operating Budget for each calendar year by November 1 of the preceding calendar year. Provided that the Limited Partner receives the proposed Operating Budget for each calendar year by November 1 of the preceding calendar year, together with all supporting information necessary for the Limited Partner to review the Operating Budget, the Limited Partner will approve, reject, or provide changes to the Operating Budget by December 15 of the year in which the proposed Operating Budget was submitted to the Limited Partner. If an Operating Budget for any calendar year has not been approved by January 1 of that year, the Partnership shall continue to operate under the Operating Budget for the previous year with such adjustments as may be necessary to reflect deletion of non-recurring expense items set forth on the previous Operating Budget and increased insurance costs, taxes, utility costs, and debt service payments; however, no payments or reimbursements to the Developer Partner or any of its Affiliates (other than payment of the management fee in accordance with the previous Operating Budget and reimbursements to the Property General Partner for out-of-pocket expenses incurred in connection with the Project and in accordance with the previous Operating Budget) nor capital expenditures (other than deposits into the Capital Reserve) shall be made by the Partnership for that year until an Operating Budget for such year is approved, unless the Limited Partner specifically consents thereto in writing. Notwithstanding anything to the contrary set forth in Section 4.1(d), although the General Partner shall be required to submit an annual Operating Budget to the Limited Partner, the General Partner shall only be required to obtain the Limited Partner's consent to or approval of such Operating Budget if required under the definition of "Operating Budget".

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(e) Limited Partner. Whenever this Agreement requires the consent or approval of the Limited Partner or the Partners to a certain matter, the consent or approval of the Limited Partner shall not be effective without the consent of the then general partner of the Limited Partner and of Kimco Preferred Investor III, Inc. (a limited partner of the Limited Partner), its successors and assigns. Whenever the Limited Partner is given the right to take any action pursuant to this Agreement, such action must be approved by Kimco Preferred Investor III, Inc., its successors and assigns.

Section 4.2. Meetings of Partners.

(a) Regular Meetings. The Partners shall hold annual meetings after the General Partner submits an Operating Budget to the Limited Partner for its review, to discuss the Project, and to discuss such other matters regarding Partnership business as the Partners may elect. Any such meeting may be held by phone with the written consent of the Limited Partner.

(b) Special Meetings. Special meetings of the Partners may be called by the General Partner or by the Limited Partner at any time by delivering at least two-business days' prior notice thereof to the other Partner to discuss such matters regarding Partnership business as the Partners may elect. Any such meeting may be held by phone with the written consent of the Limited Partner.

(c) Procedure. Each Partnership meeting shall be held at the principal place of business of the Partnership, unless the Partners otherwise agree. Attendance of a Person at a meeting shall constitute a waiver of notice of such meeting, unless such Person attends the meeting for the purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. A Person may vote at such meeting by written proxy executed by that Person and delivered to a General Partner or Partner. A proxy shall be revocable unless it is stated to be irrevocable. Any action required or permitted to be taken at such meeting may be taken without a meeting, without prior notice, and without a vote if a consent or consents in

writing, setting forth the action so taken, is signed by the General Partner and the Partners that would be necessary to take the action at a meeting at which all Partners were present and voted. Any meeting may take place by means of telephone conference, video conference, or similar communication equipment by means of which all Persons participating therein can hear each other.

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Section 4.3. Intentionally Omitted.

Section 4.4. Removal of General Partner. The General Partner may be removed by the Limited Partner as provided herein under the following circumstances (each, which is not cured by the Developer Partner within the period set forth herein, a "Removal Event"):

(a) A Transfer in violation of Section 3.2(a) occurs, or Developer Partner (1) commits a criminal act (which has an adverse effect on the Partnership or the Limited Partner), (2) misapplies any funds derived from the Project, including security deposits, insurance proceeds or condemnation awards, which action has an adverse effect on the Partnership or the Limited Partner; (3) commits fraud, misrepresentation, gross negligence or willful misconduct (which has an adverse effect on the Partnership or the Limited Partner); (4) fails to maintain insurance as required by this Agreement or to pay or provide for payment of any taxes or assessments affecting the Project provided that funds are available to the Partnership with which to do so (which has an adverse effect on the Partnership or the Limited Partner); or (5) intentionally damages or destroys the Project, or any part thereof not covered by insurance.

(b) Failure of the Developer Partner to make Additional Capital Contributions so that the outstanding aggregate amount of all unpaid Additional Capital Contributions of the Developer Partner exceed \$50,000.

(c) Bankruptcy of the Partnership.

(d) The liquidation or dissolution of the General Partner.

(e) Bankruptcy of the General Partner (a "Bankruptcy Removal Event").

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(f) The occurrence of a material default by an Affiliate of the Developer Partner under any management or other service contract between the Partnership and an Affiliate of the Developer Partner and the General Partner's failure within thirty (30) days of the giving of notice thereof by the Limited Partner to the Developer Partner to cause such contract to be terminated and replaced with a contract with a non-affiliated third party.

(g) A Major Decision is made or taken without Limited Partner's written consent (and, in the case of Major Decisions specified in clauses (2), (4), (6), (7), (9) or (16) taken without Limited Partner's written consent, there is an adverse effect to either the Partnership or Limited Partner as a result of the action so taken).

(h) The Partnership fails to make a distribution to Limited Partner as and when required pursuant to Sections 8.1 or 8.2.

(i) The material breach by Developer Partner of a covenant set forth in this Agreement, the breach of which is not otherwise specified in this Section 4.4.

(j) Intentionally Omitted.

(k) A Removal Event (as defined in the Fairport Partnership Agreement) shall occur and be continuing.

If Limited Partner shall have reasonably determined that a Removal Event has occurred, Limited Partner shall give written notice thereof to Developer Partner together with a detailed specification of the claimed Removal Event and the circumstances thereof. If such Removal Event shall be reasonably susceptible of cure, Developer Partner shall have the right to cure such Removal Event within the thirty (30) day period following receipt of notice thereof from the Limited Partner. Notwithstanding anything in this paragraph to the contrary, however, (i) no cure rights shall be available with respect to Removal Events specified in Sections 4.4(a)(1), (2), (3) and (5) and Sections 4.4(c), (e) or (k) and (ii) if the notice is given by Preferred Member with respect to a Removal Event specified in Section 4.4(a)(4) or 4.4(h) the cure period shall be 5 business days. If Developer Partner shall fail to cure such Removal Event within such thirty (30) day period, then, subject to the rights of Developer Partner and Limited Partner to cause such matter to be submitted to arbitration, the Limited Partner may remove Developer Partner as the General Partner, in which event (i) the Limited Partner may appoint itself or an Affiliate of the

Limited Partner, or a third party, as General Partner. If the Removal Event arises because of an event specified in Sections 4.4 (a)(1), (2), (3) or (5), 4.4(g) (which has an adverse effect on the Partnership or Limited Partner), or 4.4(h) of this Agreement or the Fairport Partnership Agreement, the Limited Partner may at any time elect (by written notice to the Developer Partner) to purchase the Partnership Interest of the Developer Partner for a purchase price equal to the difference between (A) the lesser of (i) an amount which the Developer Partner would receive if the Project were sold for its fair market value (less Imputed Closing Costs), or (ii) the unreturned Capital Contributions of the Developer Partner, less (B) all damages and costs incurred by the Partnership in connection with such Removal Event.

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The fair market value of the Project shall be determined by the Limited Partner and the Developer Partner (or its representative) within 30 days after the Limited Partner elects to purchase such Partnership Interest. If such Persons are unable to agree on the fair market value of the Project, the Limited Partner, by notice to the Developer Partner (or its representative), may require the determination of the fair market value to be made by an independent appraiser specified in that notice. If the Person receiving that notice objects to the independent appraiser designated therein within ten days after it receives such notice and the Limited Partner and such Person fail to agree on an independent appraiser, then either may request that the New York City, New York office of the American Arbitration Association (the "AAA") designate an independent appraiser, in which case the selection of the appraiser by the AAA shall be binding on the parties. The determination of the selected appraiser shall be final and binding on all parties. The Partnership shall pay the cost of the appraisal. The closing of such transaction shall occur within 30 days after the purchase price for the Partnership Interest in question is finally determined.

If Limited Partner desires to remove Developer Partner as the General Partner because a Removal Event (other than a Removal Event specified in Section 4.4(k)) has occurred, then either the Developer Partner or the Limited Partner shall have the right to require (by written notice to the other Partner) that the issue of whether or not a Removal Event has occurred be submitted to binding arbitration. The sole parties to such arbitration shall be the Developer Partner and Limited Partner. The sole issues to be submitted to and determined by such arbitration is whether or not a Removal Event has occurred, or, if a Removal Event has occurred, whether mitigating factors exist sufficient to allow Developer Partner to remain as the General Partner notwithstanding the occurrence of such Removal Event (and in the case of any election by the Limited Partner to purchase the Developer Partner's Partnership Interest (if applicable), whether mitigating factors exist sufficient to deny the Limited Partner the right to exercise such election). The arbitration shall be handled in the following manner:

(i) The matter shall be submitted to binding arbitration in New York City, New York in accordance with the rules of the AAA then in effect, except as otherwise set forth in this Agreement. A single arbitrator (not affiliated with any firm or organization providing services to either party or their Affiliates) shall be selected.

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(ii) Each party shall have the right to take limited discovery, which shall in all event be completed within 60 days of the date arbitration has been requested by either party, unless the other party shall fail to cooperate in the taking of such discovery.

(iii) The matter shall be decided based on briefs and affidavits submitted to the arbitrator, and without any testimony of live witnesses, unless the arbitrator desires in its sole discretion to have a hearing with witnesses.

(iv) The decision of the arbitrator shall be final and non-appealable.

(v) Each party shall pay (x) its own attorneys' fees and costs in submitting the matter to arbitration and (y) 50% of the fees of the arbitrator. The losing party shall reimburse the prevailing party for any AAA filing fees paid by the prevailing party and any arbitration order shall so state the foregoing.

(vi) If the arbitrator decides that a Removal Event has occurred without mitigating factors, the arbitrator shall enter an order (x) declaring that a Removal Event has occurred, and (y) with the prevailing party's consent, declaring that the Developer Partner shall cease to be the General Partner of the Partnership and Limited Partner (or its designee) shall be the new managing Partner. The arbitrator shall have the power to order injunctive relief consistent with the foregoing.

(vii) The arbitrator shall not have any power to enter any damage award except as specified in subsection (e) above.

Even if the parties elect to proceed to arbitration concerning whether or not a Removal Event has occurred, either Partner shall be permitted to pursue other remedies (at law or equity) permitted by this Agreement for breach by the other Partner of its obligations hereunder.

If the Developer Partner is ever removed as the General Partner, the Developer Partner shall have all rights of a limited partner specified in the Act.

Section 4.5. Reimbursement of Expenses. Each Partner shall be reimbursed for all out-of-pocket expenses actually incurred by it directly in conjunction with the business and affairs of the Partnership (including travel costs, telephone costs, and similar expenses, but excluding any salary expenses, employee expenses, and administrative expenses even if such excluded expenses are incurred in connection with (or allocable to) Partnership business), to the extent set forth on an Operating Budget or as otherwise approved in writing by the Limited Partner. Upon request, the General Partner shall provide reasonable supporting verification to the other Partners for all expenditures for which any reimbursement is requested. The General Partner shall at all times maintain insurance in amounts required by the Mortgage Loan provided that there are funds available to the Partnership with which to do so and if there are no such funds to do so General Partner shall give immediate written notice to Limited Partner (but if the cost thereof exceeds by more than 10% the budgeted amount therefor in an Operating Budget, the Developer Partner shall notify Limited Partner in writing before paying the cost thereof).

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Section 4.6. Compensation of General Partner. Except for expense reimbursements set forth in Section 4.5, no compensatory payment shall be made by the Partnership to the General Partner or any Partner for the services to the Partnership of such General Partner, Partner or any Partner or employee of such Partner.

Section 4.7. Transactions with Affiliates.

(a) General. When any service or activity to be performed on behalf of the Partnership is performed by an Affiliate of a Partner, the fee payable for such service or activity shall not exceed the fee which would be payable by the Partnership to an unaffiliated third party of comparable standing providing the same services.

(b) Termination of Agreements with Affiliates. If the Developer Partner is removed as General Partner as a result of the occurrence of a Removal Event, then the Partnership may terminate all agreements with Developer Partner's Affiliates without penalty or fee, and all such agreements must contain a provision that allows for the exercise of the right of termination under this Section 4.7(b). The Limited Partner may enforce this provision on behalf of the Partnership.

Section 4.8. Property Management Agreement. The Partnership is contemporaneously entering into a Property Management Agreement ("Management Agreement") with Brentway Management LLC ("Property Manager"), an Affiliate of the Developer Partner, under which Property Manager shall manage and lease the Project. The Management Agreement will provide that Property Manager shall be paid fees more particularly set forth in the Management Agreement. The General Partner or an Affiliate shall also be entitled to a fee on a sale or refinancing equal to .75% of the sale price or refinance amount, as the case may be, subject to a total cap on fees to third parties and the General Partner or its Affiliate of 1.5% (for example, if an outside broker's fee is 1.5%, no fee shall be payable to the General Partner or its Affiliate).

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Section 4.9. Indemnification; Reimbursement of Expenses; Insurance. To the fullest extent permitted by the Act: the Partnership shall hold harmless, indemnify and defend the General Partner from all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including the reasonable fees and actual expenses of the General Partner's counsel, which arise, result from or relate to any threatened, pending or completed action, suit or proceeding ("Proceeding"), relating to the ownership or operation of the Project or the business of the Partnership (other than claims and liabilities excluded below), including, without limitation, expenses incurred by the General Partner (1) in advance of the final disposition of any Proceeding to which such General Partner was, is or is threatened to be made a party, and (2) in connection with its as a witness or other participation in any Proceeding. The foregoing indemnity shall also extend to any Affiliate of the General Partner (including Cedar Income Fund

Partnership, L.P. and Cedar Income Fund Ltd.) which may execute an environmental indemnity in favor of the holder of the Mortgage Loan such that such Affiliate shall be reimbursed by the Partnership (prior to distributions to Partners) for any amount paid on account of such environmental indemnity. The foregoing indemnity shall also extend to any brokerage commissions or finder's fees claimed by any broker or other party against the General Partner in connection with the Project, or any of the transactions contemplated by this Agreement. The Partnership shall indemnify and advance expenses to an Officer, employee or agent of the Partnership to the same extent and subject to the same conditions under which it may indemnify and advance expenses to General Partners under the preceding sentence. The provisions of this Section 4.9 shall not be exclusive of any other right under any law, provision of the Certificate or this Agreement, or otherwise. Notwithstanding the foregoing, this indemnity shall not apply to actions constituting gross negligence, willful misconduct or bad faith, or involving a breach of this Agreement, but shall apply to actions constituting simple negligence. The Partnership may purchase and maintain insurance to protect itself and any General Partner, officer, employee or agent of the Partnership, whether or not the Partnership would have the power to indemnify such Person under this Section 4.9. This indemnification obligation shall be limited to the assets of Partnership and no Partner shall be required to make a Capital Contribution in respect thereof.

Section 4.10. Other Business Activities. Subject to the other express provisions of this Agreement, each Partner, General Partner, Officer or Affiliate thereof may engage in and possess interests in other business ventures of any and every type and description, independently or with others, including ones in direct or indirect competition with the Partnership, with no obligation to offer to the Partnership or any other Partner, General Partner or Officer the right to participate therein or to account therefor. The Partnership may transact business with any Partner, General Partner, Officer or Affiliate thereof, subject to the approval rights of the Limited Partner described herein, provided the terms of those transactions are no less favorable than those the Partnership could obtain from unrelated third parties. Each Partner and its Affiliates has numerous ownership interests in other real estate projects and neither Partner shall be required to offer any business opportunity or interest to the Partnership.

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Section 4.11. Indemnification of Limited Partner. The Partnership shall indemnify, defend and hold Limited Partner harmless from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including the reasonable fees and actual expenses of Limited Partner's counsel, arising in connection with (1) any investigative, administrative, mediation, arbitration, or judicial proceeding, commenced or threatened at any time against Limited Partner (whether or not the Partnership is a party thereto), in any way related to the execution, delivery or performance of this Agreement or to the Project, and (2) any proceeding instituted by the seller of the Project against Limited Partner (whether or not the Partnership is a party thereto), and (3) any brokerage commissions or finder's fees claimed by any broker or other party against Partnership or Limited Partner in connection with the Project, or any of the transactions contemplated by this Agreement. Limited Partner shall not be entitled to indemnification to the extent any of the foregoing are caused solely by the Limited Partner's gross negligence or willful misconduct. This indemnification obligation shall be limited to the assets of Partnership and no Partner shall be required to make a Capital Contribution in respect thereof.

ARTICLE 5

ACCOUNTING AND REPORTING

Section 5.1. Fiscal Year, Accounts, Reports.

(a) The fiscal year of the Partnership shall be the calendar year.

(b) The books of account of the Partnership shall be kept and maintained (at Partnership expense) by the General Partner on an accrual basis in accordance with GAAP. The Partnership shall report its operations for tax purposes on an accrual basis. The General Partner shall prepare a reconciliation of such books and records to cash receipts and disbursements. The books of account shall be kept at the principal place of business of the Partnership, and shall at all times be available for inspection by the Partners. All distributions of Net Cash Flow and Capital Proceeds shall be accompanied by income statements prepared by the General Partner setting forth in detail the calculation of the amount of each such distribution.

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(c) The General Partner shall, at Partnership expense, furnish

to the Partners (1) on or before the 30th day after the end of each calendar quarter, an unaudited statement setting forth and describing in reasonable detail the receipts and expenditures of the Partnership during the preceding month and comparing the results of operations of the Partnership for such month and for the year to date to the appropriate Operating Budget, (2) on or before 90 days after the end of each fiscal year, a balance sheet of the Partnership dated as of the end of such fiscal year, a statement of the Partners' Capital Accounts, a statement of Net Cash Flow, and a statement setting forth the Profits and Losses for such fiscal year, audited by an independent firm of certified public accountants as selected by the General Partner and approved by the Limited Partner (the Limited Partner hereby approves Ernst & Young, LLP as the initial certified public accounting firm for the Partnership), and unaudited statements of the foregoing for the prior calendar year shall be sent to the Partners within 60 days following the end of each calendar year, and (3) from time to time, all other information relating to the Partnership and the business and affairs of each, reasonably requested by any Partner.

(d) Each Partner, at its expense, may at all reasonable times during usual business hours audit, examine, and make copies of or extracts from the books of account records, files, and bank statements of the Partnership. Such right may be exercised by any Partner, or by its designated agents or employees.

Section 5.2. Bank Accounts. The General Partner shall open and maintain (in the name of the Partnership) a special bank account or accounts in a bank or savings and loan association, the deposits of which are insured, up to the applicable limits, by an agency of the United States government, in which shall be deposited all funds of the Partnership.

Section 5.3. Financial Accounting Matters . The method by which the financial statements of the Partnership shall be prepared (including the allocation of all revenues and expenses, including depreciation, to the respective Partner's Capital Accounts) shall be such reasonable method as is employed by the General Partner for other properties of which it shall be the owner or the general partner or managing Partner thereof.

ARTICLE 6

CAPITAL CONTRIBUTIONS

Section 6.1. Initial Capital Contributions. The Developer Partner has contributed cash of \$_____ to the Partnership on the date hereof which shall constitute the Developer Partner's initial Capital Contribution.

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The Limited Partner has contributed cash of \$_____ to the Partnership on the date hereof which shall constitute the Limited Partner's initial Capital Contribution.

Section 6.2. Additional Capital Contributions. After the initial Capital Contributions have been made, each Member shall make Capital Contributions to the Partnership in proportion to their respective Capital Sharing Ratios as may be approved by the General Partner and the Limited Partner for the conduct of the Partnership's business, maintenance of its assets, and discharge of its liabilities. Each additional contribution made under this Section 6.2 is an "Additional Capital Contribution".

Section 6.3. Return of Contributions. Except as expressly provided herein, no Partner shall be entitled to (a) the return of any part of its Capital Contributions, (b) any interest in respect of any Capital Contribution, or (c) the fair market value of its Partnership Interest in connection with a withdrawal from the Partnership or otherwise. Unrepaid Capital Contributions shall not be a liability of the Partnership or of any Partner. No Partner shall be required to contribute or lend any cash or property to the Partnership to enable the Partnership to return any Partner's Capital Contributions to the Partnership.

Section 6.4. Partner Loans. If the Partnership shall have insufficient cash to pay its obligations, any Partner, with the approval of the Limited Partner and the General Partner, may advance such funds for the Partnership on such terms and conditions as the lending Partner, the Limited Partner, and the General Partner may determine. Each such advance shall constitute a loan from such Partner to the Partnership and shall not constitute a Capital Contribution.

Section 6.5. Balances. The Partnership's books and records shall contain entries indicating the type and amount of Capital Contributions made to the Partnership.

ARTICLE 7

THIRD PARTY FINANCING

Section 7.1. Initial Financing. The Partnership approves borrowing pursuant to the Mortgage Loan. The Mortgage Loan is secured by a first-priority mortgage lien on the Project. General Partner shall deliver (or cause to be delivered to Limited Partner) to the Limited Partner all notices, correspondence, and information delivered by the holder (or servicer) of the Mortgage Loan to the Partnership.

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ARTICLE 8

DISTRIBUTIONS

Section 8.1. Distribution of Net Cash Flow. The Net Cash Flow for each calendar quarter shall be distributed to the Partners on or before the 10th day following the end of each calendar quarter as follows: 1% to the Developer Partner and 99% to the Limited Partner.

Section 8.2. Distribution of Capital Proceeds. Capital Proceeds of the Partnership shall be distributed to the Partners within 10 days following receipt by the Partnership of such Capital Proceeds as follows: 1% to the Developer Partner and 99% to the Limited Partner.

Section 8.3. Statements. All distributions of Net Cash Flow and Capital Proceeds shall be accompanied by income statements setting forth in detail the calculation of the amount of each such distribution.

ARTICLE 9

CAPITAL ACCOUNTS, ALLOCATIONS, AND TAX MATTERS

Section 9.1. Capital Accounts.

(a) Establishment and Maintenance. A separate capital account ("Capital Account") will be maintained for each Partner in accordance with Regulations 1.704-1(b)(iv). The General Partner shall establish and maintain a single Capital Account for each Partner which reflects each Partner's Capital Contributions to the Partnership. Each Capital Account shall also reflect the allocations and distributions made pursuant to Article 8 and otherwise be adjusted in accordance with Code Section 704 and the principles set forth in Treasury Regulations Sections 1.704-1(b) and 1.704-2. In applying such principles, any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 704(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) shall be allocated among the Partners in proportion to their respective Sharing Ratios. The Partners intend that the Partnership be treated as a partnership for tax purposes.

The Capital Accounts will be adjusted as follows:

(1) Each Partner's Capital Account will be credited with the Partner's Capital Contributions, the Partner's distributive share of Profits, any items in the nature of income or gain that are specially allocated to the Partner under Sections 9.4(c), 9.4(d), or 9.4(e), and the amount of any Partnership liabilities that are assumed by the Partner or secured by any Partnership property distributed to the Partner.

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(2) Each Partner's Capital Account will be debited with the amount of cash and the Gross Asset Value of any Partnership property distributed to the Partner under any provision of this Agreement, the Partner's distributive share of Losses, any items in the nature of deduction or loss that are specially allocated to the Partner under Sections 9.4(c), 9.4(d) or 9.4(e), and the amount of any liabilities of the Partner assumed by the Partnership or which are secured by any property contributed by the Partner to the Partnership.

(b) Initial Capital Accounts. The initial Capital Account balance of each Partner equals the amount of cash contributed by each Partner as its Initial Capital Contribution, which balances have been determined in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(f).

(c) Transfer. If any interest in the Partnership is transferred in accordance with the terms of this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(d) Modifications by General Partner. The provisions of this

Section 9.2 and the other provisions of this Agreement relating to the maintenance of Capital Accounts have been included in this Agreement to comply with Section 704(b) of the Code and the Regulations promulgated thereunder and will be interpreted and applied in a manner consistent with those provisions and the Regulations. The General Partner may, with the consent of the Limited Partner, modify the manner in which the Capital Accounts are maintained under this Section 9.2 to comply with those provisions and the Regulations, as well as upon the occurrence of events that might otherwise cause this Agreement not to comply with those provisions and the Regulations; however, without the unanimous consent of all Partners, the General Partner may not make any modification to the way Capital Accounts are maintained if such modification would have the effect of changing the amount of distributions to which any Partner would be entitled during the operation, or upon the liquidation, of the Partnership.

Section 9.2. Adjustment of Gross Asset Value. "Gross Asset Value", with respect to any asset, is the adjusted basis of that asset for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed (or deemed contributed under Regulations Section 1-708-1(b)(1)(iv) by a Partner to the Partnership will be the fair market value of the asset on the date of the contribution, as determined by the General Partner and the Limited Partner.

(b) The Gross Asset Values of all assets will be adjusted to equal the respective fair market values of the assets, as determined by the General Partner and the Limited Partner, as of (1) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis capital contribution, (2) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership if an adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership, and (3) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g).

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(c) The Gross Asset Value of any asset distributed to any Partner will be the gross fair market value of the asset on the date of distribution as approved by General Partner and Limited Partner.

(d) The Gross Asset Values of assets will be increased or decreased to reflect any adjustment to the adjusted basis of the assets under Code Section 734(b) or 743(b), but only to the extent that the adjustment is taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m), provided that Gross Asset Values will not be adjusted under this Section 9.2 to the extent that the General Partner determines that an adjustment under Section 9.2(b) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment under this Section 9.2(d).

(e) After the Gross Asset Value of any asset has been determined or adjusted under Section 9.2(a), 9.2(b) or 9.2(d), Gross Asset Value will be adjusted by the Depreciation taken into account with respect to the asset for purposes of computing Profits or Losses.

Section 9.3. Profits, Losses and Distributive Shares of Tax Items.

(a) Profits (other than from Capital Transactions). Except as otherwise provided in Sections 9.3(d), 9.3(e) and 9.3(f), and except as otherwise provided in Article 10 (relating to allocation of Profits upon dissolution), Profits for any taxable year (other than those arising from a Capital Transaction) shall be allocated to the Partners in accordance with their respective Sharing Ratios.

(1) (b) Profits (from Capital Transactions). Except as otherwise provided in Sections 9.3(c), 9.3(d), 9.3(e) and 9.3(f), and except as otherwise provided in Article 10 (relating to allocation of Profits upon dissolution), Profits for any taxable year arising from a Capital Transaction shall be allocated to the Partners in accordance with their respective Sharing Ratios.

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(c) Losses. Except as otherwise provided in Sections 9.3(d), 9.3(e), and 9.3(f), Losses for any taxable year shall be allocated in the following manner:

(1) First, to the Partners in proportion to their respective adjusted Capital Account balances, but not in excess of the adjusted Capital Account balance of each such Partner before the allocation provided for in this Section 9.3(c)(1); and

(2) thereafter, to the Partners with positive Capital Account balances (in proportion to such balances) to the extent further allocations of Losses to a Partner under this Section 9.3(c) would cause such Partner to have an Adjusted Capital Account Deficit.

(d) Special Allocations. The following special allocations will be made in the following order and priority before allocations of Profits and Losses:

(1) Partnership Minimum Gain Chargeback. If there is a net decrease in Partnership Minimum Gain during any taxable year or other period for which allocations are made, before any other allocation under this Agreement, each Partner will be specially allocated items of Partnership income and gain for that period (and, if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain during such year determined in accordance with Regulations Section 1.704-2(g)(2). The items to be allocated will be determined in accordance with Regulations Sections 1.704(2)(f)(6) and 1.704-2(j)(2). This Section 9.3(d)(1) is intended to comply with the Partnership Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

(2) Partner Nonrecourse Debt Minimum Gain Chargeback. Notwithstanding any other provision of this Section 9.3 (other than Section 9.3(d)(1) which shall be applied first), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain with respect to a Partner Nonrecourse Debt during any taxable year or other period for which allocations are made, any Partner with a share of such Partner Nonrecourse Debt Minimum Gain (determined under Regulations Section 1.704-2(i)(5)) as of the beginning of the year will be specially allocated items of Partnership income and gain for that period (and, if necessary, subsequent periods) in an amount equal to such Partner's share of the net decrease in the Partner Nonrecourse Debt Minimum Gain during such year determined in accordance with Regulations Section 1.704-2(i)(4). The items to be so allocated will be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 9.3(d)(2) is intended to comply with the Partner Nonrecourse Debt Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

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(3) Qualified Income Offset. A Partner who unexpectedly receives any adjustment, allocation or distribution described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) will be specially allocated items of Partnership income and gain in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Partner as quickly as possible.

(4) Nonrecourse Deductions. Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated among the Partners in proportion to their respective Sharing Ratios.

(5) Partner Nonrecourse Deductions. Notwithstanding anything to the contrary in this Agreement, any Partner Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which the Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i).

(6) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m), the amount of the adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis), and the gain or loss will be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted under Regulations Section 1.704-1(b)(2)(iv)(m).

(e) Curative Allocations. The allocations set forth in Section 9.3(d) (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. The Regulatory Allocations may effect results which would be inconsistent with the manner in which the Partners intend to divide Partnership distributions. Accordingly, the General Partner is authorized to divide other allocations of Profits, Losses, and other items among the Partners, to the extent that they exist, so that the net amount of the Regulatory Allocations and the special allocations to each Partner is zero. The General Partner will have discretion to accomplish this result in any reasonable manner that is consistent with Code Section 704 and the related Regulations.

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(f) Tax Allocations--Code Section 704(c). For federal, state and local income tax purposes, Partnership income, gain, loss, deduction or expense (or any item thereof) for each fiscal year shall be allocated to and among the Partners to reflect the allocations made pursuant to the provisions of this Section 9.3 for such fiscal year. In accordance with Code Section 704(c) and the related Regulations, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership, solely for tax purposes, will be allocated among the Partners so as to take account of any variation between the adjusted basis to the Partnership of the property for federal income tax purposes and the initial Gross Asset Value of the property (computed in accordance with Section 9.2). If the Gross Asset Value of any Partnership asset is adjusted under Section 9.2(b), subsequent allocations of income, gain, loss and deduction with respect to that asset will take account of any variation between the adjusted basis of the asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the related Regulations. Any elections or other decisions relating to allocations under this Section 9.3(f) will be made in any manner that the General Partner determines reasonably reflects the purpose and intention of this Agreement as consented to by the Partners. Allocations under this Section 9.3(f) are solely for purposes of federal, state and local taxes and will not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses or other items or distributions under any provision of this Agreement.

(g) Reporting. Partners shall be bound by the provisions of this Section 9.3(g) in reporting their shares of Partnership income and loss for income tax purposes.

Section 9.4. Tax Returns. The General Partner shall cause to be prepared and filed (but no filing shall be made until the Limited Partner has approved in writing such tax returns) all necessary federal and state income tax returns for the Partnership, including making the elections described in Section 9.5. Each Partner shall furnish to the General Partner all pertinent information in its possession relating to Partnership operations that is necessary to enable such income tax returns to be prepared and filed.

Section 9.5. Tax Elections. The following elections shall be made on the appropriate returns of the Partnership:

(a) to adopt the calendar year as the Partnership's fiscal year;

(b) to adopt the accrual method of accounting and to keep the Partnership's books and records on the accrual method;

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(c) if there is a distribution of Partnership property as described in section 734 of the Code or if there is a transfer of a Partnership interest as described in section 743 of the Code, upon written request of any Partner, to elect, pursuant to section 754 of the Code, to adjust the basis of Partnership properties; and

(d) to elect to amortize the organizational expenses of the Partnership ratably over a period of 60 months as permitted by section 709(b) of the Code.

No election shall be made by the Partnership or any Partner to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state laws.

Section 9.6. Tax Matters Partner. The Partner serving as General Partner shall be the "tax matters partner" of the Partnership pursuant to section 6231(a)(7) of the Code. As tax matters partner, such Partner shall take such action as may be necessary to cause each other Partner to become a "notice partner" within the meaning of section 6223 of the Code. Such Partner shall inform each other Partner of all significant matters that may come to its attention in its capacity as tax matters partner by giving notice thereof within ten days after becoming aware thereof and, within such time, shall forward to each other Partner copies of all significant written communications it may receive in such capacity. Such Partner shall not take any action contemplated by sections 6222 through 6232 of the Code without the consent of the Limited Partner. This provision is not intended to authorize such Partner to take any action left to the determination of an individual Partner under sections 6222 through 6232 of the Code.

Section 9.7. Allocations on Transfer of Interests. All items of income, gain, loss, deduction, and credit allocable to any interest in the Partnership that may have been transferred shall be allocated between the transferor and the transferee based upon the closing of the books method, unless the transferor and transferee otherwise agree.

Section 9.8. Sharing of Company Nonrecourse Debt. Solely for purposes

of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a), the Partners' interests in Company profits are in proportion to their Sharing Ratios.

Section 9.9. Intent of Allocations. The parties intend that the foregoing tax allocation provisions of this Article 9 shall produce final Capital Account balances of the Partners such that distributions made in accordance with Section 10.2(c) (2) (after unpaid loans and interest thereon, including those owed to Partners have been paid) are made in accordance with final Capital Account balances. To the extent that the tax allocation provisions of this Article 9 would fail to produce such final Capital Account balances, (i) such provisions shall be amended by the General Partner (with the Limited Partner's written consent) if and to the extent necessary to produce such result and (ii) taxable income and taxable loss of the Partnership for prior open years (or items of gross income and deduction of the Partnership for such years) shall be reallocated by the General Partner among the Partners (with the Limited Partner's written consent) to the extent it is not possible to achieve such result with allocations of items of income (including gross income) and deduction for the current year and future years, as approved by the General Partner and Limited Partner. This Section 9.9 shall control notwithstanding any reallocation or adjustment of taxable income, taxable loss, or items thereof by the Internal Revenue Service or any other taxing authority.

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ARTICLE 10

WITHDRAWAL, DISSOLUTION, LIQUIDATION, AND TERMINATION

Section 10.1. Dissolution, Liquidation, and Termination Generally. The Partnership shall be dissolved (but not prior to payment in full of the Mortgage Loan) upon the first to occur of any of the following:

(a) the first day of the first taxable year of the Partnership following the taxable year in which occurs the sale or disposition of all of the assets of the Partnership and the receipt, in cash, of all consideration therefor unless all the Partners elect not to dissolve the Partnership;

(b) the determination of the General Partner and the Limited Partner to dissolve the Partnership; or

(c) the occurrence of any event which, as a matter of law, requires that the Partnership be dissolved (other than a Bankruptcy of a Partner which shall not dissolve the Partnership).

Section 10.2. Liquidation and Termination. Upon dissolution of the Partnership, unless it is continued as provided above, the General Partner shall act as liquidator or may appoint one or more other Persons as liquidator; however, if the Partnership is dissolved because of an event occurring with respect to the General Partner, the liquidator shall be one or more Persons selected in writing by the other Partner. The liquidator shall proceed diligently to wind up the affairs of the Partnership and make final distributions as provided herein. The costs of liquidation shall be a Partnership expense. Until final distribution, the liquidator shall continue to operate the Partnership properties with all of the power and authority of the General Partner hereunder. The steps to be accomplished by the liquidator are as follows:

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(a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by Ernst & Young, LLC or such other firm of certified public accountants as is acceptable to the Limited Partner of the Partnership's assets, liabilities, and operations through the last day of the calendar month in which the dissolution shall occur or the final liquidation shall be completed, as applicable;

(b) the liquidator shall pay all of the debts and liabilities of the Partnership or otherwise make adequate provision therefor (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

(c) all remaining assets of the Partnership shall be distributed to the Partners as follows:

(1) the liquidator may sell any or all Partnership property and the sum of (A) any resulting gain or loss from each sale plus (B) the fair market value of such property that has not been sold shall be determined and (notwithstanding the provisions of Article 9) income, gain, loss, and deduction inherent in such property (that has not been reflected in the Capital Accounts previously) shall be allocated among the Partners to the extent

possible to cause the Capital Account balance of each Partner to equal the amount distributable to such Partner under Article 8; and

(2) after Capital Accounts have been adjusted for all distributions under Article 8 and all allocations of Profits and Losses under Sections 9.3, 9.9 and Section 10.2(c)(1), Partnership property shall be distributed in accordance with Section 8.2.

Notwithstanding anything to the contrary, in the event the Partnership is "liquidated" within the meaning of Regulations ss. 1.704-1(b)(2)(ii)(g), liquidating distributions shall be made pursuant to this Section 10.2 by the end of the taxable year in which the Partnership is liquidated, or, if later, within ninety (90) days after the date of such liquidation. Distributions pursuant to the preceding sentence may be made to a trust for the purpose of an orderly liquidation of the Partnership by the trust in accordance with the Act.

Section 10.3. Deficit Capital Accounts. No Partner shall be required to pay to the Partnership, to any other Partner or to any third party any deficit balance which may exist from time to time in the Partner's capital account.

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Section 10.4. Cancellation of Certificate. On completion of the distribution of Partnership assets, the Partner (or such other person as the Act may require or permit) shall file a Certificate of Cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to Section 2.5, and take such other actions as may be necessary to terminate the existence of the Partnership.

ARTICLE 11

MISCELLANEOUS PROVISIONS

Section 11.1. Notices. All notices provided for or permitted to be given pursuant to this Agreement must be in writing and shall be given or served by (a) depositing the same in the United States mail addressed to the party to be notified, postpaid and certified with return receipt requested, (b) by delivering such notice in person to such party, or (c) by prepaid telegram, telex, or telecopy. By giving written notice thereof, each Partner shall have the right from time to time to change its address pursuant hereto. Notices shall be given to the parties at the following addresses:

If to Developer Partner: Cedar Bay Income Fund Partnership, L.P.
c/o Cedar Bay Realty Advisors
44 South Bayles Avenue
Port Washington, New York 11050
Attention: Mr. Leo S. Ullman

with a copy to: c/o Cedar Bay Realty Advisors
44 South Bayles Avenue
Port Washington, New York 11050
Attention: General Counsel

If to Limited Partner: c/o Kimco Realty Corporation
3333 New Hyde Park Road
New Hyde Park, NY 11042
Attention: Mr. Michael Pappagallo

with a copy to: Stephen M. Lyons III, Esq.
Reed Smith LLP
2500 One Liberty Place
Philadelphia, PA 19103

Section 11.2. Governing Law. This Agreement and the obligations of the Partners hereunder shall be construed and enforced in accordance with the laws of the State of Delaware, excluding any conflicts of law rule or principle which might refer such construction to the laws of another state or country. Each Partner submits to the jurisdiction of the state and federal courts in the State of Delaware.

Section 11.3. Entireties; Amendments. This Agreement and its exhibits constitute the entire agreement between the Partners relative to the formation of the Partnership. Except as otherwise provided herein, no amendments to this Agreement shall be binding upon any Partner unless set forth in a document duly executed by such Partner.

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Section 11.4. Waiver. No consent or waiver, express or implied, by any Partner of any breach or default by any other Partner in the performance by the

other Partner of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Partner of the same or any other obligation hereunder. Failure on the part of any Partner to complain of any act or to declare any other Partner in default, irrespective of how long such failure continues, shall not constitute a waiver of rights hereunder.

Section 11.5. Severability. If any provision of this Agreement or the application thereof to any Person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 11.6. Ownership of Property and Right of Partition. A Partner's interest in the Partnership shall be personal property for all purposes. No Partner shall have any right to partition the property owned by the Partnership or any Subsidiary.

Section 11.7. Captions, References. Pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character, and the singular shall include the plural wherever and as often as may be appropriate. Article and section headings are for convenience of reference and shall not affect the construction or interpretation of this Agreement. Whenever the terms "hereof", "hereby", "herein", or words of similar import are used in this Agreement they shall be construed as referring to this Agreement in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Whenever the word "including" is used herein, it shall be construed to mean including without limitation. Any reference to a particular "Article" or a "Section" shall be construed as referring to the indicated article or section of this Agreement unless the context indicates to the contrary.

Section 11.8. Involvement of Partners in Certain Proceedings. Should any Partner become involved in legal proceedings unrelated to the Partnership's business in which the Partnership is required to provide books, records, an accounting, or other information, then such Partner shall indemnify, defend and hold harmless the Partnership from all liabilities and expenses (including reasonable attorneys' fees and costs) incurred in conjunction therewith.

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Section 11.9. Interest. No amount charged as interest on loans hereunder shall exceed the maximum rate from time to time allowed by applicable law.

Section 11.10. Counterparts. This Agreement may be executed in one or more counterparts (and by different parties hereto on different counterparts), each of which will constitute an original, but all of which when taken together shall constitute a single contract. A facsimile signature shall for all purposes be deemed to be an original signature, and either party hereto shall forward to the other party an original signature if required by the other party.

Section 11.11. Approvals and Consents of Limited Partner. Whenever under the terms of this Agreement the approval or consent of the Limited Partner shall be required, the Limited Partner shall not unreasonably withhold or condition such approval or consent and such approval or consent shall be deemed given if the Limited Partner shall not respond to any written request for consent or approval within ten (10) days after the Limited Partner's receipt of such written request for consent or approval. If the Limited Partner shall give notice to the Developer Partner within such ten (10) day period that it does not believe the Developer Partner has provided the necessary information or documentation on which Limited Partner may reasonably make a decision on the matter in question (and shall specify the additional information or documentation required), then the foregoing ten (10) day period shall be extended to the date which is ten (10) days after Developer Partner has provided the Limited Partner with such additional information or documentation as shall be reasonably required by the Limited Partner in order to make a decision on the matter in question.

Section 11.12. Buyout Rights. Reference is hereby made to Articles 4, 12 and 13 of the Fairport Partnership Agreement. Whenever the interest of the Developer Partner (as defined in the Fairport Partnership Agreement) is to be sold pursuant to said Articles 4, 12 or 13, then the interest of the Developer Partner (as defined in this Agreement) under this Agreement shall be transferred to, or as directed by, the Preferred Partner (as defined in such Property Partnership Agreement) subject to the terms and conditions of each of said Articles 4, 12 and 13 as if such partnership interest were an interest of the Developer Partner (as defined in the Fairport Partnership Agreement) in the Fairport Partnership.

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ARTICLE 12

SPE PROVISIONS

Notwithstanding any provision hereof to the contrary, the following shall govern:

(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;

(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;

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(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.

13. 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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14. Effect of Bankruptcy, Death or Incompetency of a Limited Partner. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Limited Partner shall not cause the termination or dissolution of the Partnership and the business of the Partnership shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Limited Partner shall have all the rights of such Limited Partner for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Limited Partner. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Partnership Interest shall be subject to all of the restrictions, hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Limited Partner.

[signatures continued on next page]

Executed effective as of the date above written.

GENERAL PARTNER/DEVELOPER

PARTNER:

CIF-NEWPORT PLAZA ASSOCIATES, LLC,
a Delaware limited liability company

By: Cedar Income Fund Partnership, L.P.,
a Delaware limited partnership, its sole
member

By: Cedar Income Fund, Ltd.,
a Maryland Corporation,
its general partner

By: _____
Brenda J. Walker,
Vice President

[signatures continued on next page]

LIMITED PARTNER:

FAIRPORT ASSOCIATES, L.P.

By: CIF-Fairport Associates, LLC,
a Delaware limited liability
company, its general partner

By: Cedar Income Fund
Partnership, L.P., a limited
partnership, its sole member

By: Cedar Income Fund, Ltd., a
Maryland corporation, its
general partner

By: _____
Brenda J. Walker,
Vice President

PROPERTY MANAGEMENT AGREEMENT

[Newport Plaza]

THIS PROPERTY MANAGEMENT AGREEMENT ("Agreement") made as of January , 2003 by and between NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited liability partnership ("Owner"), and BRENTWAY MANAGEMENT LLC, a New York limited liability company ("Manager").

BACKGROUND

A. Owner is the owner of the land and improvements known as Newport Plaza, Newport, Pennsylvania (the "Property").

B. Owner desires to retain Manager as Owner's exclusive manager and broker for the purposes of leasing and managing the Property on behalf of Owner and Manager is willing to act as Manager 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 Manager agree as follows:

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

2. Manager 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 Manager of such duty or duties), take all such actions as Manager 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. Manager may retain counsel, collection agencies, and such other persons and firms as Manager 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. Manager 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 Manager shall notify Owner of budget expenditures cumulatively exceeding one hundred ten percent (110%) of the total expenditures shown on any approved annual budget;

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 Managers of properties similar in location and size to that of the Property. Manager shall prepare or cause to be prepared and file all returns and other reports relating to the Property (other than (a) income tax returns and (b) 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. Manager shall periodically report to Owner on the general operations, occupancy, physical condition, disbursements, delinquencies, uncollectible accounts, and other matters relating to the Property. Manager 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 Manager under this Agreement. As soon as practicable after the end of each calendar year and after the expiration or termination of this Agreement, Manager 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. Manager 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. Manager 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;

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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 Manager and naming Owner and Manager as co-insureds and in form and substance satisfactory to Owner, Manager and any mortgagees; provided, however, that if Manager 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 Manager harmless of and from any claims, loss, damages and liability of any nature whatsoever based upon or in any way relating to Manager's securing or failure to secure any insurance, or any decision made by Manager with respect to the amount or extent of coverage thereof or the company or companies issuing, brokering or negotiating such insurance;

2.9. To respond to complaints and inquiries by Tenants, prospective tenants and others, and to take such corrective actions as Manager 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, provided Manager shall obtain competitive bids from two non-affiliates for any contract having a value of \$10,000.00 or more;

2.11. Intentionally omitted;

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2.12. Intentionally omitted;

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. Manager shall maintain casualty and liability insurance in the name of the Owner for the Property in amounts reasonably acceptable to Owner;

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. Manager 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;

2.17. To institute and prosecute on behalf of Owner such legal actions or proceedings as the Manager 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 Manager; to defend any administrative or legal action brought against Owner with respect to the Property or the Property with Owner's approval;

2.18. To maintain such bank or similar accounts on behalf of Owner, and in Owner's name, as are necessary or appropriate in the operation of the Property, including such reserve, investment, security, escrow and other accounts, it being understood that all rents and income from the Property shall be deposited into an account in Owner's name;

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;

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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 Manager;

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 Manager's knowledge thereof;

2.23. To supervise and arrange for all construction work performed on behalf of Owner at, in or about the Property. Manager 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 Manager 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. With Owner's approval, to handle on behalf of Owner the submission to appropriate insurance officials of insurance claims and, with the consent of the Owner, the settlement thereof;

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 Manager 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 Managers within the Property's geographical area as shall be reasonably requested from time to time by Owner. If Owner and Manager disagree as to which services are customarily performed by Managers as aforesaid, Manager 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.

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3. Owner expressly withholds from Manager 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 Manager 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. Manager 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.

3.2. Manager's duties under this Agreement are limited as follows:

(i) Manager shall not have any authority to enter into any leases for or on behalf of the Owner, although the Manager shall be authorized to negotiate term sheets for leases of space in the Property and present those term sheets to Owner for Owner's approval. All leases of space in the Property must be signed by the Owner and must be on a lease form approved by the Owner.

(ii) Manager shall obtain and present to Owner for approval and execution by Owner contracts for electricity, gas, fuel, water and telephone, maintenance services, trash services, and other services as Manager deems advisable. Manager may enter into contracts on behalf of Owner only after Owner's written approval thereof provided that Owner's approval is not required for a contract for a service in which the cost for such service under such contract does not exceed the cost specified in the Budget. Manager shall not have authority to enter into any contract for any services whose estimated cost would exceed the cost specified therefor in the Budget.

(iii) Manager shall give Owner prompt written notice of any claim which may affect the Property, or of any alleged violations of any applicable law relating to the Property. Manager may not hire any legal counsel to defend any such claim against Owner without Owner's prior written consent.

(iv) To the extent that operating revenues of the Property are available to do so, Manager shall use all reasonable efforts to cause the Property to be operated in accordance with applicable law and all insurance requirements; provided, however, that Manager shall not, without the prior written consent of Owner, make any alterations or repairs, if not included in the then current budget, except for emergency repairs described in Section 3.

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(v) To the extent that operating revenues of the Property are available to do so, Manager shall enforce all provisions of all contracts and leases to which Owner is a party, except that Manager may not institute any legal action against a vendor or a tenant without the written approval of the Owner.

(vi) Manager shall establish, maintain and supervise at the Manager's office such books and records necessary or desirable in order for Manager to render monthly financial statements to the Owner. Such records shall be kept for a period of not less than three (3) years and, upon termination of this Agreement for any reason, Manager shall turn over all of such books and records to the Owner and be relieved of any obligation to maintain records thereafter. Owner or any partner of Owner shall have the right to inspect such records at any time upon 24 hours notice to the Manager.

(vii) If Manager must engage employees to render the services required by Manager hereunder, all such employees shall be employees of the Manager, and not employees of the Owner.

4. Owner, and not Manager, shall be responsible for providing the 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 and Manager's obligations hereunder are conditioned upon Owner doing so. Owner shall advance such funds to Manager no later than fifteen (15) days after its receipt from Manager of notice of the necessity for such advance. Owner agrees to provide any anticipated cash deficits fifteen (15) days prior to its occurrence. If Owner fails to provide such funds to Manager, however, Owner shall not be liable in damages or for specific performance and Manager's remedies for breach by Owner of Owner's covenants in this Section 4 shall be to terminate this Agreement, in which event the provisions of Section 10 hereof shall be applicable.

5. Except as otherwise provided for herein, Owner shall pay to Manager a property management fee in an amount equal to 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, but 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 for rental loss insurance) or condemnation award. This fee does not include commissions for leasing services set forth in Section 5.2.

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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 Manager 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 Manager to defer receipt by it of any management fee or other fees whatsoever.

5.2. Manager or its affiliate shall be the leasing agent for the Property. Owner shall pay brokerage commissions as follows:

(a) Subject to the provisions of subsection (e) hereof, with respect to all leases negotiated with new tenants a commission of (a) 4% of gross minimum rent (which, as used in this agreement, excludes common area maintenances, taxes and expense reimbursements payable by a tenant) for leases of less than 5,000 rentable square feet and (6) 3% of gross minimum rent for leases of 5,000 or more rentable square feet. One half (1/2) of said commission shall be paid when the lease has been signed by the Owner and tenant and the tenant opens for business, and the remainder of the commission shall be paid upon the later of the date tenant opens for business or the date tenant pays its first full monthly rent payment.

(b) With respect to any new lease with an existing tenant, extension of the term of an existing lease (beyond any then existing lease term, plus renewals) with a then existing tenant, or the exercise by a tenant of a renewal option, the commission shall be 2% of the gross minimum rent, but in no event shall the fee be less than \$300.00.

(c) No commissions shall be due and payable upon any sale, refinancing or ground lease of the entire Property except as set forth in Section 4.8 of the Limited Partnership Agreement of Owner (such fee may be payable to Manager in lieu of General Partner or another Affiliate (as defined in the Limited Partnership Agreement of Owner)).

(d) In the event that a tenant vacates the Property prior to the expiration of its lease, Manager will, subject to the following conditions in this subsection, reimburse Owner for a pro rata credit for the unearned portion of the commission, provided that Manager negotiated the original lease and received a commission. Manager's obligation to return a pro rata portion of the commission shall be, in the event of a co-broker, only that share of the commission retained by Manager. Said reimbursement to Owner shall be due only as a credit against the next commission earned in re-leasing said vacated space. It shall be the duty of the Manager to renegotiate leases, where possible, with existing tenants in the Property.

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(e) Manager shall have an exclusive listing of all rentals in the Property and shall be entitled to a commission in those instances where another real estate broker represents the tenant or is otherwise responsible for causing a lease to be executed, it being the responsibility of the Manager to pay such other broker any commissions due it. In the event that Manager has to pay an outside broker, the commission payable to Manager shall be one and one-half times the commission amounts as stated in Section 5.2(a) and Manager agrees to pay such outside broker a commission of not less than 50% of Manager's commissions specified in Section 5.2(a) (and if Manager negotiate a lesser amount, the amount payable to Manager under this subsection 5.2(e) shall be reduced by the amount of such savings).

(f) Notwithstanding anything to the contrary in this Section 5, however, no commission shall be payable under any lease for a period covering more than 15 years. For example, if Owner enters into a 20 year lease with a tenant, a commission shall be based only on the initial 15 years; or if the Owner enters into a lease with a tenant providing for one initial 5-year term and three 5-year renewal terms, commissions shall be based solely on the initial 5-year term and two of the 5-year renewal terms. However, if all renewal options in a lease have expired, and the lease is then renewed or a new lease is entered into with the same tenant, the Manager will be entitled to a commission thereon pursuant to Section 5.2(b).

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

7. The Manager, 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 Manager.

8. In performing its obligations hereunder, Manager 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 one (1) year 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 Manager in the event of the malfeasance or breach of this Agreement by Manager or upon the filing of a bankruptcy petition against or by Manager. This Agreement shall terminate automatically (with no additional compensation) if:

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

(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 Manager 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 Manager shall survive any termination and, if Manager is or becomes involved in any proceeding or litigation by reason of having been Owner's Manager, such provisions shall apply as if this Agreement were still in effect. Owner agrees that Manager 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.

At the expiration or earlier termination of this Agreement, and as a condition to paying any fees due to the Manager, Manager shall deliver to Owner all cash and security deposits, if any, previously collected and not properly expended or otherwise delivered to Owner by Manager for the benefit of Owner; all originals and executed copies of leases and all related lease files; all other books and records in the possession of the Manager relating to the Property; all licenses and permits relating to the Property; and all other software associated with the foregoing. Manager shall cooperate in good faith to achieve the orderly transfer of the management responsibilities for the Property to the new manager designated by Owner.

11. Owner agrees to indemnify, defend, and save the Manager, 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 Manager's costs in connection therewith) in any way:

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(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 Manager'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 Manager, 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 Manager are subject to the following conditions:

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

(ii) Manager 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 Manager.

Notwithstanding the foregoing, Owner shall not be required to indemnify, hold harmless, or reimburse Manager with respect to any matter (a) to the extent the same resulted from the gross negligence or willful malfeasance of Manager or actions taken by Manager outside of the scope of Manager's authority under this Agreement or any express or implied direction of Owner, (b) which are covered under workmen's compensation, disability benefits or other insurance, or (c) to damages or injuries to persons or property caused or occasioned by the operation of a motor vehicle of any description which are covered by automobile liability insurance maintained by Manager as required herein (Manager shall be entitled to indemnification if such damages or injuries are not covered by such automobile liability insurance provided that such damages or injuries are not due to actions by Manager outside of the scope of Manager's authority under this Agreement). Manager agrees to insure itself and its employees, with appropriate limits of liability, against liability for damages or injuries to persons or property caused or occasioned by the operation of any motor vehicle, and to furnish evidence of such insurance to Owner; provided that Manager is entitled to be reimbursed for the pro rata share of any auto policy apportionable to the Property.

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

12. Owner and Manager 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. Manager 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 Managers 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 Manager, in its sole and absolute discretion, considers that the action or position of Owner may result in damage or liability to Manager, Manager 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 Manager set forth herein and shall not terminate (i) any liability or obligation of Owner to Manager for any payment, reimbursement, or other sum of money then due and payable to Manager hereunder as of the date of such cancellation, or (ii) any obligation of Manager to remit moneys to Owner or to complete its obligations hereunder to the date of such cancellation. Manager shall cooperate with Owner to ensure a smooth and efficient transition to a new managing Manager, including but not limited to, prompt delivery of files relating to the Property.

15. Manager agrees to 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 Manager, 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 Manager's performance of its duties hereunder; and

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

16. Manager shall furnish Owner with evidence that Manager has in force during the term of this Agreement liability insurance (in amounts not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate) and will maintain these limits throughout the term of this Agreement.

17. It is expressly agreed by the parties that:

17.1. 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.

17.2. 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.

17.3. 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.

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

17.5. 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.

17.6. 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.

17.7. 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:

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As to Owner: Newport Plaza Associates, LP
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Leo S. Ullman

With a copy to: Kimco Realty Corporation
4979 Old Street Road
Trevose, Pennsylvania 19053
Attention: Mr. John Greenwood

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

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

17.9. This Agreement shall not be deemed at any time to be an interest in real estate or a lien of any kind against the Property. The rights of Manager created hereby shall not run with the land. The rights of Manager hereunder shall at all times be subject and subordinate to any mortgage encumbering any or all of the Property and Manager agrees to execute from time to time documents required by a Mortgagee to confirm the foregoing subordination.

17.10. Manager's relationship to Owner is strictly and solely that of an independent contractor. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture between Manager and Owner.

17.11. Neither the Owner nor any present or future member, manager, officer, director, employee, representative or agent of Owner shall have any personal liability of any kind or nature whatsoever arising under this agreement, and the liability of the Owner (and any present or future partner of Owner) for its obligations under this agreement shall be limited solely to Owner's interest in the Property and Manager shall look solely to the Property (and the cash flow therefrom) for the enforcement of Manager's rights hereunder.

17.12. This Agreement may not be amended, altered or modified except by written instruments signed by Owner and Manager and consented to by Owner's Partners.

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17.13. This Agreement may be executed in one or more counterparts (and by different parties hereto on different counterparts), each of which will constitute an original, but all of which when taken together shall constitute a single contract. A facsimile signature shall for all purposes be deemed to be an original signature, and either party hereto shall forward to the other party an original signature if required by the other party.

18. Manager acknowledges that Owner has obtained a loan from Citizens Bank of Pennsylvania ("Lender") in the principal amount of up to \$5,535,000 (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) except as otherwise provided in the Loan Agreement, 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 Manager is unsatisfactory to Lender, in each case upon thirty (30) days prior written notice to Manager;
- (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) Manager 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 Manager to Owner hereunder.

[Remainder of Page Blank; Signatures Follow]

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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.

MANAGER

BRENTWAY MANAGEMENT LLC

By: _____
Brenda J. Walker
President

OWNER

NEWPORT PLAZA ASSOCIATES, L.P.

By: CIF-Newport Plaza Associates,
LLC, its general partner

By: Cedar Income Fund Partnership,
L.P., its sole member

By: Cedar Income Fund, Ltd.,
its general partner

By: _____
Brenda J. Walker
Vice President

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Agreement") made as of this _____ day of February, 2003, by and between Caldwell Development, Inc. ("Seller"), having a principal place of business at 434 North Front Street, Wormleysburg, Pennsylvania 17043, and Newport Plaza Associates, L.P. ("Buyer"), a Delaware limited partnership having offices at c/o Brentway Management LLC, 44 South Bayles Avenue, Port Washington, NY 11050, and Citizens Bank of Pennsylvania, 2001 Market Street, 6th Floor, Philadelphia, Pennsylvania 19103 (with all notices to be marked "Attention: Real Estate Department") ("Escrow Agent").

RECITALS

A. Seller is concurrently herewith transferring to Buyer fee title to certain real property commonly known as the Newport Plaza Shopping Center (the "Property") pursuant to an Agreement of Purchase and Sale amended to the date hereof (the "Contract").

B. A sewer treatment facility (the "Plant") currently exists at the Property; the PA Department of Environmental Protection ("PADEP") has extended for an additional 5 year period the existing permits allowing operation of the Plant, but is requiring that certain modifications be made to the Plant as a condition of the extension of such permits (such modifications, the "Required Modifications");

C. Seller's engineer has estimated that the costs of the Required Modifications, including related engineering and permit fees, shall be approximately \$145,000;

D. Seller and Buyer acknowledge that based on an existing agreement concerning the Plant between Seller and Newport Assembly of God (the "Church"), Buyer had assumed that the Church would pay 41% of the costs of the Required Modifications;

E. The Church has denied responsibility for payment of 41% of the costs of Required Modifications, contending that other tenants at the Property are responsible for creation of the conditions at the Property prompting PADEP to require such Required Modifications;

F. Seller and Buyer desire to resolve a dispute which has arisen between them concerning who will bear the actual costs of the Required Modifications which the Buyer had assumed would be paid by the Church;

G. In order to resolve such dispute, Seller and Buyer agree that there shall be held back from the purchase price otherwise payable to Seller under the Contract the sum of \$39,000 and deposited into escrow with Escrow Agent, to be disbursed in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Escrow Fund. There is currently herewith being held back from the balance of the purchase price otherwise payable by Buyer to Seller at the Closing and deposited in escrow with Escrow Agent the sum of \$39,000 (the "Escrow Fund"). The Escrow Fund shall be held in escrow by Escrow Agent and invested in a separate interest bearing savings or money market account in a bank and shall be disbursed in accordance with the terms and conditions of this Agreement. All interest accruing on the Escrow Fund shall be added to and constitute part of the Escrow Fund. Seller hereby represents to Escrow Agent that its Taxpayer I.D. number is 25-1754335, for Escrow Agent's use in reporting accrued interest on the Escrow Fund to the Internal Revenue Service.

2. Success in Obtaining PADEP Approval of Lower Cost Alternative. Buyer agrees to cooperate with the Church in order to endeavor to obtain the approval of PADEP to amend the conditions of the existing permit so as to allow the installation of grease traps or other alternative solutions at the Property in lieu of the Required Modifications, thereby reducing the costs of required modifications of the Plant. Such cooperation shall not require the appeal of any decision of PADEP on this issue or the institution of any litigation. If PADEP should issue its written decision modifying the conditions of the permits so that in lieu of the Required Modifications, PADEP agrees that grease traps may

be installed (to which the Church has repudiated any obligation to contribute) or other lower-cost alternatives may be implemented, then Escrow Agent shall release to Buyer the Escrow Fund, whereupon Seller's liability with regard to the Required Modifications shall terminate, provided and upon condition that the cost of the lower cost modifications shall not exceed \$20,000.00.

3. Inability to Obtain PADEP Consent to Lower Cost Alternative. If despite Buyer's reasonable efforts to do so, Buyer is unable to obtain PADEP consent to a lower-cost alternative to the Required Modifications, then at such time as the cost of the Required Modifications is determined, Buyer shall use commercially reasonable efforts (which shall not require the institution of litigation) to obtain payments from all users of the Property, to include Church, to pay for such modifications by a long-term increase to the sewer rental rate charged to all tenants and to the Church. In the event any of the tenants or Church refuse to pay said portion of the Required Modifications, Buyer, after no less than 10 days written notice to Seller, advising Seller of the efforts made by Buyer to collect from the particular tenant and the calculated reimbursement to be lost, Buyer shall notify the Escrow Agent, in writing, with copy to Seller, who may release and remit to Buyer a sum equal to the lost revenue by reason of the refusal of a tenant or tenants to pay their usage share for the Required Modifications. It is furthermore noted that, by reason of separate payment/credit from Seller to Buyer, that such right of Buyer to request withdrawal from the Escrow Fund shall not occur until any lost reimbursement for Required Modifications exceeds \$20,000.00. If, after a period of six (6) months from Buyer's issuance of increased rate notices to all users, all users are paying the increased rate without threat of litigation, the remaining Escrow Fund shall be released to Seller. Likewise, after said six (6) month period, if any tenants are not paying, and the hereinbefore described procedure for withdrawal from the Escrow Fund has been accomplished, and there remains any funds in the Escrow Fund, such shall be promptly remitted to Seller.

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4. Escrow Agent. The execution of this Agreement by Escrow Agent is solely for the purpose of evidencing the acknowledgment by Escrow Agent of the receipt of the Escrow Fund and setting forth Escrow Agent's obligations with respect to the Escrow Fund. Seller and Buyer acknowledge that Escrow Agent has no duties or responsibilities hereunder other than to hold, invest and disburse the Escrow Fund in accordance with this Agreement. Escrow Agent shall notify both Seller and Buyer before releasing any portion of the Escrow Fund. In the event of any dispute regarding any action taken or proposed to be taken by Escrow Agent with respect to the Escrow Fund, Escrow Agent may cause the Escrow Fund to be placed into the registry of a court of competent jurisdiction pursuant to an action of interpleader commenced by Escrow Agent, and Seller and Buyer, jointly and severally, shall pay directly or reimburse Escrow Agent for any and all expenses so incurred by Escrow Agent, including, without limitation, reasonable attorneys' fees incurred by Escrow Agent in any such action. Seller and Buyer acknowledge that Escrow Agent is acting hereunder solely as a convenience to the parties, and except for Escrow Agent's gross negligence or willful acts of misconduct, Seller and Buyer, jointly and severally, shall indemnify and hold harmless Escrow Agent of and from any and all liabilities, costs, expenses and claims (including reasonably attorneys' fee actually incurred), of any nature whatsoever, by reason of or arising out of its acting as escrow agent hereunder. Escrow Agent may obtain the advice of counsel and shall be protected in any action taken in good faith in accordance with such advice. Escrow Agent shall not be required to defend any legal proceedings that may be instituted against Escrow Agent in respect of this Agreement or the Escrow Fund unless requested to do so by the Seller and Buyer and indemnified to the satisfaction of the Escrow Agent against the cost and expenses of such defense. Escrow Agent shall not be required to institute legal proceedings of any kind. Escrow Agent shall have no responsibility for the genuineness or validity of any document or other item submitted to Escrow Agent, and shall be protected in acting in accordance with any written instructions given to the Escrow Agent which have been signed by Seller and Buyer.

5. Notices. Any notice pursuant to this Agreement shall be validly given, if in writing, sent by recognized national overnight delivery service or in person, in which event the date of service is the day of delivery, or by pre-paid registered or certified mail, restricted delivery, return receipt requested, in which event the date of service shall be the date of acceptance or refusal. Notices shall be addressed to the parties at their addresses first set forth hereinabove, or at such other address as the respective party may designate by notice given to the other parties in accordance with this Section 5.

6. Seller's Responsibility. This Escrow Agreement shall address

Seller's full and final liability with regard to the Required Modifications to the Plant other than as set forth in that certain agreement titled "Assignment and Assumption Agreement" executed between the parties contemporaneously herewith.

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7. Counterparts. This Agreement 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 Agreement, the parties may execute and exchange by telephone facsimile counterparts of the signature pages.

8. Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

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

Caldwell Development, Inc.

By: _____
Mark G. Caldwell

Newport Plaza Associates, L.P.

By: CIF-Newport Plaza Associates, LLC

By: Cedar Income Fund Partnership, L.P.

By: Cedar Income Fund, Lt.

By: _____
Brenda J. Walker, Vice Pres.

Escrow Agent agrees to receive, hold and disburse the Escrow Fund in accordance with the terms and conditions of this Agreement.

Citizens Bank of Pennsylvania

By: _____

52035

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BILL OF SALE

This Bill of Sale is made and executed this _____ day of January, 2003, by CALDWELL DEVELOPMENT, INC., a Pennsylvania corporation, having its principal place of business at 434 North Front Street, Wormleysburg, Cumberland County, Pennsylvania ("Seller"), to NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, having offices at c/o Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Port Washington, New York 11050 ("Buyer").

Recitals:

A. Seller has agreed to convey to Buyer all of Seller's interest in and to that certain tract of land more particularly described on Exhibit "A", attached hereto and made a part hereof, and being commonly known as Newport Plaza Shopping Center, Howe Township, Pennsylvania (the "Property").

B. Seller desires to assign, transfer, and convey to Buyer, subject to the terms and conditions of this Agreement, all fixtures, equipment, apparatus, machinery, appliances, furnishings, books and records (including computer-stored data, programs, etc.) and other tangible personal property, wherever located, owned by Seller and used in connection with Seller's operation and all leasehold improvements located thereon, but excluding, however, any and all personal property owned or leased by tenants of the Property (other than personal property leased by tenants from Seller) and any leasehold improvements that any such tenant may, pursuant to the terms of its lease, have the right to remove from its demised premises (all such property not so expressly excluded being hereinafter collectively referred to as the "Personal Property").

NOW, THEREFORE, in consideration of the receipt of Ten and 00/100 (\$10.00) Dollars and other good and valuable consideration in hand paid by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged by Seller, Seller does hereby grant, bargain, sell, assign, transfer, set over, convey and deliver to Buyer, its legal representatives, its successors, and its assigns, effective as of the date set forth hereinabove, all of Seller's right, title, and interest in and to the Personal Property.

And for the same consideration, Seller hereby covenants with Buyer, its legal representatives, its successors, and its assigns that the Personal Property is free of all encumbrances and that Seller does warrant and will forever defend the same to Buyer, its legal representatives, its successors, and its assigns against the lawful claims and demands of all persons whatsoever.

IN WITNESS WHEREOF, Seller, by its duly authorized officer, has executed this Bill of Sale.

ATTEST:

CALDWELL DEVELOPMENT, INC.

By: _____

By: _____
Mark G. Caldwell
President

INDEMNIFICATION AGREEMENT BETWEEN

MARK G. CALDWELL AND

NEWPORT PLAZA ASSOCIATES, L.P.

This INDEMNIFICATION AGREEMENT is dated this _____ day of February 2003, and made by and between MARK G. CALDWELL, ("Caldwell") and NEWPORT PLAZA ASSOCIATES, L.P. ("Newport Plaza").

WHEREAS, Caldwell is, contemporaneously with the execution of this Indemnification Agreement, conveying a transfer of title to those certain commercial improvements known as the Newport Plaza, Howe Township, Perry County, Pennsylvania (hereinafter, "Premises"), which Premises contains, as an outparcel thereon, a certain McDonald's restaurant (the "McDonald's Premises"), which is leased by Caldwell to McDonald's, the initial Lease being dated May 28, 1993, as amended by Agreement dated August 15, 1995 and Supplement dated January 25, 1996 (collectively, the "Lease"), which is being assigned from Caldwell to Newport Plaza with the transfer of title to the Premises; and

WHEREAS, the McDonald's Lease contains certain rights of McDonald's to purchase the Premises at a sliding purchase price depending upon the date of exercise of the option to purchase; and

WHEREAS, on November 16, 2000, McDonald's gave notice of exercise of an option to purchase the McDonald's Premises pursuant to Article 14 of the Lease, which date was on or before the expiration of the first five years of the Lease term, noting further that Article 14 of the Lease provides, in pertinent part, the closing of the purchase is to occur ninety (90) days from the giving of notice of exercise of the option; and

WHEREAS, no purchase agreement was signed, although McDonald's and Caldwell engaged in certain discussions concerning amending the Lease and deferring the option to purchase to a later date, whereupon McDonald's and Caldwell entered into an Agreement to Extend Closing Date ("Closing Extension Agreement") providing for the obligation of the parties to be deferred and otherwise amending the Lease. McDonald's and Caldwell entered into the Closing Extension Agreement providing for a period until November 30, 2001 to enter into such amendment and, failing such, to close on or before January 31, 2002; and

WHEREAS, no amendment to the Lease was executed and McDonald's took no further actions to proceed with closing or exercise of the option to purchase at that time; and

WHEREAS, McDonald's was recently contacted relative to the instant transaction between Caldwell and Newport Plaza, whereupon it claimed that it had exercised the option at the then-option price in November 2000, which would be a total of \$60,000.00 less than if the option were exercised at this time; and

WHEREAS, therefore, dispute or potential dispute would appear to exist or may exist in the future with McDonald's relative to whether the November 16, 2000 exercise of the option was a nullity and, if McDonald's wishes to pursue exercise of the option, what price would control; and

WHEREAS, although Caldwell and Newport Plaza do acknowledge that, according to the McDonald's Lease, McDonald's may have the right in the future to exercise rights to purchase, Caldwell and Newport Plaza reasonably believe the exercise by McDonald's in November 16, 2000 failed by reason of the lack of action to proceed with subdivision, governmental approval and transfer, or otherwise, to further their intended exercise of the right to purchase the Premises; and

WHEREAS, Newport Plaza wishes to proceed with the purchase of the Premises and succeed to the rights and duties of Caldwell with regard to the McDonald's Lease, it has agreed to do so in view of such dispute with McDonald's, only upon Caldwell's entering into this Indemnification Agreement in accord with the specific terms, provisions and limitations hereinafter stated.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, do agree as follows:

1. The parties incorporate the recitals hereinbefore set forth into the body of this Agreement as though same were again set forth where not inconsistent with the following paragraphs.

2. In the event, at any time after the date of execution and delivery of this Indemnification Agreement, and for a period thereafter not to exceed two (2) years ("McDonald's Claim Period") in the event McDonald's proceeds in any manner to assert, in writing, a claim or takes any such other actions to attempt to proceed with the purchase of the Premises based upon the August 27, 1998 exercise of option, and the option price therein provided, Newport Plaza shall promptly notify Caldwell, not later than thirty (30) days after receipt of any such notice of McDonald's, of such actions, whereupon Caldwell shall, within ten (10) days of receipt from Newport Plaza, notify Newport Plaza in writing that it shall assume responsibility for defense of any such actions or assertions by McDonald's, the cost of which defense and litigation, if required, to be however equally divided between Caldwell and Newport Plaza. It is noted the parties acknowledge that McDonald's has the future and ongoing right to exercise the option to purchase the Premises, but only at the then-stated price in the Lease at the time of the exercise and timely purchase of the McDonald's Premises. If Caldwell receives any notices, it shall likewise timely share same with Newport Associates. Caldwell and Newport Plaza agree that neither shall intentionally initiate any communications in any form and manner with McDonald's to address the subject option or any matters in this Indemnification Agreement during the term of the McDonald's Claim Period, except in response to any claim relating thereto initiated by McDonald's, in which event copies of such claims shall be furnished to the other party, absent written prior notice and receipt of written consent from the other party.

3. Newport Plaza shall have the opportunity to participate with its own attorneys and advisors in any such defense and litigation, but so long as Caldwell is timely and responsibly fulfilling its obligations pursuant to this Indemnification Agreement to defend hereunder, such further attorneys and consultants of Newport Plaza shall be at its own cost. It is further noted that the above-referenced time frame shall not release or terminate Caldwell's to defend and indemnify Newport Plaza by virtue of excusable late notice, unless such late notice would materially prejudice Caldwell's ability to defend any such actions or claims of McDonald's.

4. A. Indemnification. Furthermore, in the event McDonald's would prevail by final or appealable decree, judgment, or by agreement of McDonald's, Caldwell and Newport Plaza, that would result in determination or agreement that the option price in effect in August 27, 1998 is the applicable price for purchase of the McDonald's Premises, Caldwell will indemnify Newport Plaza for the difference between such price and the sum of \$360,000 (such amount, the "Price Differential"), provided that the maximum limit of Caldwell's indemnification under this Agreement shall not exceed \$60,000 plus Caldwell's one-half of the attorneys' fees and costs of defending against McDonald's attempt to enforce its option. Caldwell shall pay the Price Differential to Newport on the date that Newport shall be required to convey title to the McDonald's Premises to McDonald's for a purchase price less than \$360,000. If, however, the McDonald's Premises cannot be separately subdivided from the remainder of the Newport Plaza Shopping Center and therefore under the terms of the McDonald's lease, McDonald's is entitled to receive a new lease for the maximum term allowed by law upon payment of a sum less than \$360,000, Caldwell shall pay the Price Differential to Newport upon the execution of such new lease, provided the maximum limit of Caldwell's obligation shall not exceed \$60,000, plus one-half (1/2) of any legal costs to defend against McDonald's attempt to enforce its option.

B. Letter of Credit. For the purpose of securing the performance of Caldwell's indemnification obligations to Newport Plaza under this Indemnification Agreement, Caldwell is hereby delivering to Newport Plaza with this Indemnification Agreement an unconditional irrevocable stand-by letter of credit in the sum of \$60,000 from a commercial bank or savings and loan association having a branch where such letter of credit may be presented for payment in the County of Dauphin, such letter of credit to be in the form of Exhibit "A" attached hereto and made a part hereof (the "Letter of Credit"). The Letter of Credit shall have an expiration date no earlier than one (1) year from

the execution and delivery of this Indemnification Agreement. Newport Plaza shall have the right to draw down the Letter of Credit in accordance with the provisions of subparagraph C hereof. The Letter of Credit, if not drawn upon by Newport Plaza by reason of Caldwell's default hereunder, shall be returned to Caldwell following the expiration of the McDonald's Claim Period, provided that McDonald's has not asserted, claimed, or taken such other action to attempt to proceed with the purchase of the Premises during the McDonald's Claim Period, or (ii) in the event McDonald's has asserted, claimed or taken such other action to attempt to proceed with the purchase of the Premises during the McDonald's Claim Period, upon the complete fulfillment of Caldwell's obligations hereunder, including, but not limited to, its indemnification of Newport Plaza for the McDonald's Purchase Price Differential.

C. Renewal and Replacement Letter of Credit. (1) Caldwell shall renew or replace the Letter of Credit at least thirty (30) days prior to its expiration date with a renewal or replacement Letter of Credit complying with the terms of this paragraph and having an expiration date no earlier than one (1) year from its issuance, and will thereafter renew or replace such renewal or replacement Letter of Credit and each succeeding Letter of Credit thirty (30) days prior to its expiration, so that a Letter of Credit complying with the terms of this Indemnification Agreement shall continuously remain in effect until the later to occur of (i) the expiration of the McDonald's Claim Period (provided that McDonald's has not, subsequent to the date of this Indemnification Agreement, asserted, claimed or taken such other action to attempt to proceed with the purchase of the Premises during the McDonald's Claim Period for a purchase price less than \$360,000), or (ii) in the event McDonald's has asserted, claimed or taken such other action to attempt to proceed with the purchase of the Premises during the McDonald's Claim Period for a purchase price less than \$360,000, the complete fulfillment of Caldwell's obligations hereunder, including, but not limited to, its indemnification of Newport Plaza for the McDonald's Purchase Price Differential, but which may also include the legal challenge to any such claim asserted by McDonald's, in which event the McDonald's Claim Period would expire upon final and unappealable dismissal of the McDonald's claim.

(2) In addition to its obligations to do so under subparagraph B and subparagraph (1) of this subparagraph C, Tenant shall replace the Letter of Credit within five (5) days of receipt of written notice from Newport Plaza that the issuer has (i) entered into a supervisory agreement or consent order with the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, or any other state or federal regulatory authority with jurisdiction such issuer; or (ii) become subject to an order or directive of any of the foregoing authorities with respect to the regulation of its activities; or (iii) notified Newport Plaza that it shall not (A) honor a draw under the Letter of Credit; or (B) renew or extend the Letter of Credit beyond its then current expiration date.

D. Newport Plaza's Draw Down of Letter of Credit. Newport Plaza shall have the absolute right to draw on the Letter of Credit in full immediately upon the occurrence of any of the following:

(a) Caldwell's failure to renew or replace the Letter of Credit in accordance with this Paragraph 3, which failure is not cured within two (2) business days following receipt of written notice from Newport Plaza to Caldwell; or

(b) Caldwell's failure to promptly take, within twenty (20) days after notice thereof from Newport, such actions as Caldwell may reasonably deem appropriate to defend any action brought by McDonald's for specific performance of its purchase option or for declaratory relief as to the option price or any other action brought by McDonald's relating to an attempt to purchase the Premises for a purchase price less than \$360,000 (e.g., Caldwell's failure to confirm that it will file responsive pleadings within the time periods.)

(c) Caldwell's failure to pay its share of the costs of defense as referred to in this Agreement, which failure is not cured within twenty (20) days after receipt of notice thereof from Newport Plaza to Caldwell; and

(d) Caldwell's failure to pay the McDonald's Price Differential to Newport Plaza, as herein provided, on or before the applicable date required herein, and failure is not cured within twenty (20) days after receipt of notice from Newport Plaza to Caldwell.

5. Any notice pursuant to this Indemnification Agreement shall be validly given, if in writing, sent by recognized national overnight delivery service or in person, in which event the date of service is the day of delivery, or by pre-paid registered or certified mail, restricted delivery, return receipt requested, in which event the date of service shall be the date of acceptance or refusal addressed to:

If to Newport Associates:

Newport Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue
Port Washington, New York 11050

With a copy to:

Warren S. Sacks, P.C.
707 Westchester Avenue, Suite 303
White Plains, NY 10604

If to Caldwell:

Caldwell Development, Inc.
434 North Front Street
Wormleysburg, PA 17043

With a copy to:

James R. Clippinger, Esquire
Caldwell & Kearns
3631 North Front Street
Harrisburg, PA 17110

6. Other than as herein set forth, Caldwell shall have no other obligation to Newport Associates, or its predecessor, Cedar Income Fund Partnership, LP, in any manner, form or regard with regard to the McDonald's Lease.

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7. The rights created by this Indemnification Agreement shall inure to the benefit of, and the obligations created hereby shall be binding upon the successors and assigns of the parties hereto.

8. This Indemnification Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

9. This Indemnification Agreement may be amended only by the writing signed by all the parties hereto.

10. If any provisions of this Indemnification Agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and to this end, the provisions hereof are severable.

11. This Indemnification Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on the day and year first above written.

WITNESS:

By: _____
Mark G. Caldwell

ATTEST:

NEWPORT PLAZA ASSOCIATES, L.P

51748

By: _____
Title: _____

LOAN AGREEMENT

THIS LOAN AGREEMENT is made this _____ day of _____, 2003, to be delivered on _____, 2003, by and between NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center (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 12 acres of land located at U.S. Route 322 and Route 34 in Howe Township, Perry County, Pennsylvania (the "Premises"), as more fully described in Exhibit A attached hereto and made a part hereof, and the improvements thereon including buildings containing a total of approximately 66,789 square feet (collectively, the "Improvements"), together comprising a retail shopping center known as "Newport Plaza". 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 Five Million Five Hundred Thirty Five Thousand Dollars (\$5,535,000) (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 (i) the LIBOR Lending Rate plus two hundred ten (210) basis points at all times from and after the Closing Date unless and until the first date after the Closing Date on which the Standard & Poor's Credit Rating for the Giant Lease Guarantor is lower than BBB-, or (ii) the LIBOR Lending Rate plus two hundred fifty (250) basis points at all times from and after the first date following the Closing Date on which the Standard & Poor's Credit Rating for the Giant Lease Guarantor is lower than BBB-.

"Adjusted Prime Rate" means (i) the Prime Rate minus seventy five (75) basis points at all times from and after the Closing Date unless and until the first date after the Closing Date on which the Standard & Poor's Credit Rating for the Giant Lease Guarantor is lower than BBB-, or (ii) the Prime Rate minus thirty five (35) basis points at all times from and after the first date following the Closing Date on which the Standard & Poor's Credit Rating for the Giant Lease Guarantor is lower than BBB-.

"Advance" means an advance by Lender of a portion of the Loan pursuant to this Agreement (and includes the Initial Advance and the Subsequent Acquisition Advance).

"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.

"Agreement of Sale" means the Agreement for the Sale of Real Estate dated August 2002 between Cedar Operating Partnership, as purchaser, and Caldwell Development, Inc., as seller, providing for the sale of the Premises and Improvements for the sum of \$4,800,000.

"Approved Lease" has the meaning ascribed to such term in Section 6.8.

"Assignee" has the meaning ascribed to such term in Section 10.9.

"Assignments of Lease" has the meaning ascribed to such term in Section 2.3.

"Borrower" has the meaning ascribed to such term in the preamble of this Agreement.

"Broker" means, collectively, Phillip Deeter and iCap Realty Advisors.

"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.

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"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.

"Cedar REIT's Financial Statements" means the Consolidated Balance Sheets of Cedar Income Fund, Ltd., and the Related Consolidated Statements of Operation, Shareholders' Equity and Cash Flows prepared in accordance with GAAP.

"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.

"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 Adjusted 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 9.1.

"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.

"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.

"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.

"Giant Building" means the building located on the Premises containing approximately 32,000 square feet which was constructed and is owned and operated by Giant Food Stores, Inc. as a retail food store pursuant to the Giant Lease.

"Giant Lease" means the Ground Lease Agreement between Borrower, as successor landlord, and Giant Food Stores, Inc., as tenant, dated May 23, 1995 covering approximately 39,000 square feet of the Premises, as guaranteed by a Lease Guaranty dated May 23, 1995 executed by Giant Lease Guarantor.

"Giant Lease Guarantor" means Koninklijke Ahold NV, a Netherlands company.

"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 Agreements.

"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 10.11.

"Initial Advance" has the meaning ascribed to such term in Section 8.1.

"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 Agreements" has the meaning ascribed to such term in Section 2.3

"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 of this Agreement.

"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) the initial LIBOR Interest Period applicable to the Subsequent Acquisition Advance shall end on the same day as the LIBOR Interest Period applicable to the Initial Advance on the day the Subsequent Acquisition Advance is made;

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(B) 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;

(C) 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

(D) 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:

$$\text{LIBOR Lending Rate} = \frac{\text{LIBOR Rate}}{\text{-----}} \\ (1.00 - \text{LIBOR Reserve Percentage})$$

provided, however, that the LIBOR Lending Rate for the initial LIBOR Interest Period applicable to the Subsequent Acquisition Advance shall be the same as the LIBOR Lending Rate applicable to the Initial Advance on the day the Subsequent Acquisition Advance is made.

"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' 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.

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"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.

"Maturity Date" has the meaning ascribed to such term in Section 4.1.

"McDonald's Lease" means the Ground Lease Agreement between Borrower, as successor landlord, and McDonald's Corporation d/b/a Delaware McDonald's Corporation, as tenant, dated May 28, 1993, as amended January 25, 1996, August 15, 1995, and undated Agreement to Extend Closing Date, covering the McDonald's Premises.

"McDonald's Premises" means a parcel of land containing approximately 32,835 square feet comprising a portion of the Premises.

"McDonald's Tenant" McDonald's Corporation d/b/a Delaware McDonald's Corporation means.

"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 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 all Advances (whether or not the Advances were 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.

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"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.

"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 Article 3 and ending on (but excluding) the date when such Prime Rate Loan is converted into a LIBOR Rate Loan pursuant to Article 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.

"Principal Payment Date" means the last Business Day of each calendar month.

"Project" has the meaning ascribed to such term in the Background of this Agreement.

"Subsequent Acquisition Advance" has the meaning ascribed to such term in Section 8.2.

"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.

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;"

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(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 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 Advances of the Loan to Borrower. The Advances shall not exceed in the aggregate 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;

(e) One or more Agreements dated this date (as amended, modified or supplemented from time to time, the "Interest Rate Protection Agreements") executed by Borrower and Lender pursuant to which (i) the interest rate applicable to the Initial Advance 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 Maturity Date, subject to the provision that if Borrower makes a prepayment on account of the Loan as a result of the sale of the McDonald's Premises pursuant to Section 2.5, the effective interest rate conversion with respect to an amount equal to the McDonald's Sale Prepayment Amount of the Initial Advance shall terminate on such sale, and (ii) the interest rate applicable to the Subsequent Acquisition Advance 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 July 1, 2003 and the 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 Agreements), 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 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.

2.5. Release of Security. Lender shall release the McDonald's Premises from the lien of the Mortgage at the time of and in conjunction with the closing for the sale of the McDonald's Premises by Borrower to the McDonald's Tenant pursuant to the McDonald's Lease, subject to the satisfaction of the following conditions:

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(a) Lender shall have received evidence satisfactory to it that the McDonald's Premises is a legally subdivided parcel of land which can be transferred and conveyed separately from and independently of the balance of the Premises;

(b) The McDonald's Lease is terminated at the time of the closing for the sale of the McDonald's Premises and Borrower and Lender are released from any and all liability in connection with the McDonald's Lease;

(c) Borrower pays to Lender as a prepayment on account of the Loan (which prepayment shall not require payment of any LIBOR Rate Loan Payment Fee) an amount (the "McDonald's Sale Prepayment Amount") equal to the greater of (i) \$300,000 or (ii) the net proceeds from such sale ("net proceeds", for this purpose, meaning the gross sales price, less and except only Borrower's portion of applicable transfer taxes, Borrower's sales commission and normal pro rations and adjustments);

(d) Borrower pays all reasonable costs and expenses incurred by Lender in connection with reviewing the conditions for such release, the preparation of appropriate documentation and recording fees; and

(e) 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 date of such closing.

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 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 Rate 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 Maturity Date 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 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.

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)

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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 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.

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(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 DATE

4.1. Interest and Principal Payments; Maturity Date.

(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.

(b) Installments on account of the unpaid principal balance of the Loan outstanding from time to time shall be payable on each Principal Payment Date beginning with the first Principal Payment Date following the Closing Date. The amount of each such installment shall be Six Thousand Five Hundred Dollars (\$6,500), provided that if the Subsequent Acquisition Advance is made then the amount of each such installment beginning with the first Principal Payment Date following the Subsequent Acquisition Advance shall be Nine Thousand One Hundred Dollars (\$9,100).

(c) 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 eighty-four (84) months after the Closing Date ("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 and Borrower shall have the obligation to prepay a portion of the unpaid principal balance of the Loan subject to and in accordance with Section 2.5, in either case 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 associated with prepayment, in accordance with the terms and conditions of the

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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, and (iii) then to the outstanding principal balance of the Loan, which payments shall be applied to principal installments in the inverse order of their maturity. The acceptance of any prepayment (other than full payment) 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.

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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 partnership duly formed, validly existing and in good standing under the laws of the State of Delaware, has the power and authority to own and operate the Project, and has qualified to transact business in, and is validly subsisting under the laws of, the Commonwealth of Pennsylvania. The sole general partner of Borrower is CIF-Newport Plaza Associates, LLC, a Delaware limited liability company, and the sole limited partner of Borrower is Fairport Associates, L.P., a Delaware

limited partnership. True and correct copies of Borrower's Partnership Agreement and 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 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) CIF-Newport Plaza Associates, LLC is a single purpose limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and has the power and authority to act as the sole general partner of Borrower. The sole member of CIF-Newport Plaza Associates, LLC is Cedar Operating Partnership. True and correct copies of CIF-Newport Plaza

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Associates, LLC'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 CIF-Newport Plaza Associates, LLC has been offered, issued, distributed or sold in violation of any state or federal securities laws.

(iii) Fairport Associates, L.P. is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware, and has the power and authority to act as the sole limited partner of Borrower. CIF-Fairport Associates, LLC, a Delaware limited liability company, is the sole general partner and the legal and beneficial owner of at least 17.6% of the ownership interests of Fairport Associates, L.P. True and correct copies of Fairport Associates, L.P.'s Partnership Agreement and 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 Fairport Associates, L.P. has been offered, issued, distributed or sold in violation of any state or federal securities laws.

(iv) CIF-Fairport Associates, LLC is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and has the power and authority to act as the sole general partner of Fairport Associates, L.P. The sole member of CIF-Fairport Associates, LLC is Cedar Operating Partnership. True and correct copies of CIF-Fairport Associates, LLC'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 CIF-Fairport Associates, LLC has been offered, issued, distributed or sold in violation of any state or federal securities laws.

(v) Cedar Operating Partnership is a limited partnership duly formed, validly existing 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 CIF-Newport Plaza Associates, LLC and CIF-Fairport Associates, LLC. 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 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.

(vi) 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.

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(vii) 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) There is no suit, action, proceeding or investigation pending or to the knowledge of Borrower threatened against or affecting Borrower or, to the best of Borrower's knowledge after diligent inquiry, 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 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, to the best of Borrower's knowledge after diligent inquiry, result in the creation or imposition of any lien, charge or encumbrance upon part of the Project.

(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.

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(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).

(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.

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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 aggregate purchase price paid by Borrower for the Project was \$4,800,000. 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 the Giant Lease and the McDonald's Lease. Except for the Existing Leases, the Project is not subject to any other leases, occupancy rights or similar arrangements. To the best of Borrower's 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 after diligent inquiry, 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. Except for the McDonald's Lease, none of the Existing Leases contains any options or rights of first refusal to purchase any portion or all of the Project in favor of a tenant. 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 Net Operating Income (based upon such rent roll and such historical operating expenses) is equal to or more than \$450,000 and the Debt Service Coverage Ratio is more than 1.25 to 1.

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(d) Borrower has delivered to Lender a true, correct and complete copy of the Management Agreement dated the date of this Agreement 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) 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) To the best of Borrower's knowledge after diligent inquiry, the Premises abut and has direct access to a legally open public right of way. All streets necessary for the full utilization of the Project for its intended purposes have been completed. All costs of street improvements to be completed by Borrower have been paid.

(g) To the best of Borrower's knowledge after diligent inquiry, electricity, public potable water, private sanitary and storm sewerage facilities and natural gas service are connected to the Premises and are of sufficient capacity to service the Improvements (subject, in the case of the sanitary sewerage facilities, to the Sewer Construction Work, as hereafter defined). All costs for installing and connecting such utilities (including tap-in and connection fees) have been paid.

(h) To the best of Borrower's knowledge after diligent inquiry, 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) Borrower has delivered to Lender true, correct and complete copies of the NPDES Permit dated May 20, 2002, the Water Quality Management Part II Permit Application dated August 30, 2002, and addenda dated November 4, 2002, and the Agreement between Borrower, as successor to Caldwell Development, Inc., and Newport Assembly of God Church (the "Church"), all relating to the operation of a sewage treatment facility on the Premises for the benefit solely of the tenants of the Premises and the Church. The NPDES Permit permits the continued operation of the sewage treatment facility through June 1, 2007 conditioned upon the design, modification and upgrade of the sewage treatment facility in accordance with the terms thereof. Borrower is in the process of the design, modification and upgrade of the sewage treatment facility in accordance with the NPDES Permit and is otherwise in compliance in all respects with the NPDES Permit and the Agreement with the Church.

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(j) 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.

ARTICLE 6 COVENANTS

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, on 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.

All such financial information shall be in a form reasonably acceptable to Lender.

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6.2. Financial Covenants.

(a) (i) 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.

(ii) For purposes hereof: (A) "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, as shown (absent error) on the line captioned "Total Shareholders' Equity in the Company and limited partner's (equity) interest in Operating Partnership and minority interest" on Cedar REIT's Financial Statements; and (B) "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, as shown (absent error) on the line captioned "[unrestricted] cash and cash equivalents" on Cedar REIT's Financial Statements.

(b) At all times during the term of the Loan, the Debt Service Coverage Ratio shall be equal to or more than 1.25 to 1. The financial information provided with respect to Borrower pursuant to Section 6.1 shall include an annual Debt Service Coverage Determination. Compliance or non-compliance, as the case may be, with the foregoing Debt Service Coverage Ratio requirement shall be 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), and (ii) the financial covenant set forth in Section 6.2(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

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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 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 Project 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 Project, 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 principal and interest payments which would be made under the Loan for the immediately following twelve (12) month period (in the case of the interest payments, based upon and assuming an interest rate equal to the interest rate applicable under the Interest Rate Protection Agreements plus the Adjusted LIBOR Rate spread applicable to the Loan on the effective date of the Debt Service Coverage Determination). 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

(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.

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6.5. Maintenance of Existence; Composition; Business.

(a) (i) Borrower shall maintain its existence as a single purpose Delaware limited partnership, and shall maintain CIF-Newport Plaza Associates, LLC as its sole general partner and Fairport Associates, L.P., as its sole limited partner. Borrower shall not permit CIF-Newport Plaza Associates, LLC or Fairport Associates, L.P. to pledge, assign or grant a security interest in or otherwise transfer any ownership interest in Borrower except as may be otherwise specifically permitted in Section 6.6.

(ii) Borrower shall cause Fairport Associates, L.P. to maintain its existence as a Delaware limited partnership and to maintain CIF-Fairport Associates, LLC as its sole general partner and the legal and beneficial owner of at least 17.6% of the ownership interests of Fairport Associates, L.P.

(iii) Borrower shall cause CIF-Newport Plaza Associates, LLC and CIF-Fairport Associates, LLC each to maintain its existence as a Delaware limited partnership and to maintain Cedar Operating Partnership as its sole member. Borrower shall not permit Cedar Operating Partnership to pledge, assign or grant a security interest in or otherwise transfer any ownership interest in CIF-Newport Plaza Associates, LLC or CIF-Fairport Associates, LLC except as may be otherwise specifically permitted in Section 6.6.

(iv) 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.

(v) 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 Partnership Agreement or Certificate of Limited Partnership promptly after any such changes, and Borrower shall not change such Partnership Agreement or Certificate of Limited Partnership 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 or payments (whether in the nature of a return of capital, a loan payment, an interest payment, a return on capital, a distribution of profits or otherwise) to any of its partners or Affiliates, unless in each case such distribution is otherwise in compliance with the Loan Documents and there is no Event of Default or event which, with the giving of notice or the passage of time, or both, could be an 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.

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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 limited partner interests in Borrower and Fairport Associates, L.P. so long as Cedar Operating Partnership (i) remains the owner, directly or indirectly, of at least 1% of the ownership interests in Borrower and (ii) controls the management of Borrower. 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 and all extensions and renewals thereof, (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, 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 Project 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. Borrower shall deliver to Lender a copy of each Approved Lease within five (5) Business Days after it is fully executed. 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 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 Section 6.10 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 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.

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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 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 \$54,000 ("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.

6.18. Sewer Permits. Borrower shall comply with NPDES Permit No. PA 0086622, issued May 20, 2002 (as the same may be amended from time to time, the "NPDES Permit"), and WQM Part II Permit No. 5095401 (02-1) (APS OD No. 277229), issued July 27, 1995, amended November 22, 2002 (as the same may be amended from time to time, the "Sewer Construction Permit" and, together with the NPDES

Permit, the "Sewer Permits"), and all Laws applicable to the Sewage Facilities including, without limitation, the Pennsylvania Water and Wastewater System

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Operator Certification Act. Without limiting the generality of the foregoing, Borrower shall: (a) on or before the Closing Date and the making of the Initial Advance hereunder, or as otherwise permitted by law, obtain valid assignments of the Sewer Permits, with the approval of the Pennsylvania Department of Environmental Protection ("PaDEP"), and provide evidence of such assignments to Lender; (b) on or before the Closing Date and the making of the Initial Advance hereunder, enter into a contract with a reputable, Certified Wastewater System Operator to operate the Sewage Facilities, and execute and deliver to Lender an assignment of such contract (together with a copy of such contract) in form and substance acceptable to Lender; (c) on or before the Closing Date and the making of the Initial Advance hereunder, enter into a contract with a reputable, licensed Professional Engineer to supervise the modifications to the construction of the Sewage Facilities under the Sewer Construction Permit (the "Sewer Construction Work"), and execute and deliver to Lender an assignment of such contract (together with a copy of such contract) in form and substance acceptable to Lender; (d) On or before 60 days after the Closing Date, enter into a construction contract with a reputable contractor to perform the Sewer Construction Work, and execute and deliver to Lender an assignment of such contract (together with a copy of such contract) in form and substance acceptable to Lender; and thereafter diligently prosecute the performance of the Sewer Construction Work, (e) on or before June 1, 2003 (or such other deadline as may be established by amendment of the NPDES Permit), cause the completion and certification of completion of the Sewer Construction Work as required by the NPDES Permit, and provide evidence of such completion and certification to Lender; (f) on or before July 1, 2004 (or such other deadline as may be established by amendment of the NPDES Permit), cause compliance of the Sewage Facilities with all effluent limitations as required by the NPDES Permit, and provide evidence of such compliance to Lender; (g) immediately upon receipt thereof, provide to Lender copies of all reports of inspection, warnings, notices of violation, penalty assessments and other correspondence from PaDEP relating to the Sewage Facilities; and (h) when municipal sewerage facilities become available to serve the Project, abandon the use of the sewage treatment plant serving the Project (thereby terminating the discharge authorized by the NPDES Permit) and connect the Project to such municipal sewerage facilities, as required by the NPDES Permit, and provide evidence of such abandonment and connection to Lender. As used herein "Sewage Facilities" means the sewage collection, conveyance and treatment facilities serving the Project.

ARTICLE 7
CONDITIONS PRECEDENT TO LOAN ADVANCES

The making of the Advances of the Loan by Lender to Borrower are 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:

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(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 a fair market value for the Project on an "as is" basis which is acceptable to Lender, 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 Improvements, 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 surveys 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 (except to the extent the McDonald's Premises is currently also a separate lot for such 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 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.

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(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.

(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 Partnership Agreement and Certificate of Limited Partnership, together with any amendments thereto, and resolutions or other evidence of authority of CIF-Newport Plaza Associates, LLC and Fairport Associates, L.P. authorizing the transaction contemplated by this Agreement, certified to be true, correct, and complete by Cedar Operating Partnership, together with a current good standing certificate for Borrower issued by the State of Delaware and a subsistence certificate issued by the Commonwealth of Pennsylvania.

(l) Organizational Documents of CIF-Newport Plaza Associates, LLC. Copies of CIF-Newport Plaza Associates, LLC'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 authorizing the transactions contemplated by this Agreement, certified to be true, correct and complete by Cedar Operating Partnership, together with a current good standing certificate for CIF-Newport Plaza Associates, LLC issued by the State of Delaware.

(m) Organizational Documents of Fairport Associates, L.P. Copies of Fairport Associates, L.P.'s Partnership Agreement and Certificate of Limited Partnership, together with any amendments thereto and resolutions or other evidence of authority of CIF-Fairport Associates, LLC and the limited partners of Fairport Associates, L.P. authorizing the transactions contemplated by this Agreement, certified to be true, correct and complete by Cedar Operating Partnership, together with a current good standing certificate for Fairport Associates, L.P. issued by the State of Delaware.

(n) Organizational Documents of CIF-Fairport Associates, LLC. Copies of CIF-Fairport Associates, LLC'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 authorizing the transactions contemplated by this Agreement, certified to be true, correct and complete by Cedar Operating Partnership, together with a current good standing certificate for CIF-Fairport Associates, LLC issued by the State of Delaware.

(o) 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 a current good standing certificate for Cedar Operating Partnership issued by the State of Delaware.

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(p) 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 a current good standing certificate for Existing Manager issued by the State of New York and a current subsistence certificate for Existing Manager issued by the Commonwealth of Pennsylvania.

(q) 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.

(r) 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. Leases. Lender shall have approved all Existing Leases and each tenant thereunder shall have executed an Estoppel Certificate and Subordination, Non-Disturbance and Attornment Agreement in form and substance satisfactory to Lender (except in the case of the McDonald's Tenant, in which case Borrower shall have provided information and assurances in form and substance satisfactory to Lender). All other leases in the Project shall be Approved Leases.

7.4. 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.

7.5. Borrower Equity. Borrower shall have furnished to Lender evidence satisfactory to Lender that Borrower has expended from its own funds (a) at least twenty percent (20%) of the aggregate purchase price of the Project and (b) one hundred percent (100%) of all other amounts payable in connection with the purchase of the Project and the closing of the Loan.

7.6. 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.

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7.7. Sewer Permits Borrower shall have performed the covenants set forth in Sections 6.18 (a)-(c), above, and shall have provided evidence of such performance to Lender.

ARTICLE 8 LOAN ADVANCES

8.1. Acquisition of Project. Lender shall make an initial Advance of the Loan ("Initial Advance") on the Closing Date in order to partially finance the cost of acquisition of the Project. The Initial Advance shall be in an amount equal to the lesser of (a) \$3,935,000, (b) eighty percent (80%) of the acquisition cost of the Project, including the aggregate purchase price of the Project pursuant to the Agreement of Sale and other costs and expenses incurred by Borrower in connection with the acquisition of the Project, and the closing of the Loan, or (c) eighty percent (80%) of the aggregate fair market values of the Project on an "as is" basis determined pursuant to the appraisal referred to Section 7.2.

8.2. Subsequent Acquisition Advance. Lender shall make an additional Advance of the Loan ("Subsequent Acquisition Advance") after the Closing Date in order to finance the cost of acquisition by Borrower from Giant Food Stores, Inc. of the Giant Building built and owned by Giant Food Stores, Inc. pursuant to the Giant Lease, subject to the satisfaction of each of the following conditions:

(a) The Subsequent Acquisition Advance shall be made within six (6) months after the Closing Date upon not less than thirty (30) days written notice from Borrower to Lender;

(b) The amount of the Subsequent Acquisition Advance shall be the lesser of (i) \$1,600,000 or (ii) the actual acquisition cost of the Giant Building to be paid by Borrower to Giant Food Stores, Inc.;

(c) Lender shall receive evidence reasonably satisfactory to it confirming the actual acquisition cost of the Giant Building and that the Subsequent Acquisition Advance will be used for such purpose;

(d) The Giant Lease shall be provide for the payment of additional annual rent (on a net basis) of 10% of the actual acquisition cost of the Giant Building without any curtailment of the term thereof and the Giant Lease shall continue to be guaranteed by Giant Lease Guarantor;

(e) Giant Food Stores, Inc. shall continue to occupy the Giant Building pursuant to the Giant Lease as amended;

(f) 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 date of the Subsequent Acquisition Advance; and

(g) There has been no material adverse change in the financial condition of Borrower, either Guarantor, Giant Food Stores, Inc., Giant Lease Guarantor or the Project between the Closing Date and the date of the Subsequent Acquisition Advance.

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ARTICLE 9
EVENTS OF DEFAULT

9.1. 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 9.1(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), as to subsections 5.1(c), 5.1(e), 5.2(f), 5.2(g) and 5.2(h) without giving effect to any qualifications therein as to its or their knowledge;

(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 9.1 (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 Maturity Date (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;

(f) Any event of default (after giving effect to any applicable notice and cure periods) shall have occurred under any document, instrument or agreement evidencing, securing, governing or relating to the loan dated this date, in the maximum principal amount of \$4,265,000, from Lender to Halifax Plaza Associates, L.P.

(g) 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;

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(h) Borrower or either Guarantor shall have made an assignment for the benefit of its creditors;

(i) There shall have occurred a material adverse change in the financial condition of Borrower or either Guarantor, as determined by Lender; or

(j) 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.

9.2. Remedies. Upon the occurrence of any Event of Default beyond any applicable cure periods, 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 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

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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 9.1 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) During the continuance of any Event of Default beyond any applicable periods and for so long as such Event of Default remains uncured, Lender is appointed as attorney-in-fact of Borrower for the purposes of carrying out the provisions of this Section 9.2 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.

ARTICLE 10
MISCELLANEOUS

10.1. 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 (certified, return receipt requested) mail to the

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respective parties at the following addresses or in accordance with any subsequent unrevoked written direction from any party to the others:

If to Borrower:

Newport Plaza Associates, L.P. d/b/a
Newport Plaza Shopping Center
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Attention: Mr. Leo Ullman

with a copy to:

Stuart H. Widowksi, 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: 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, upon delivery or, if delivery is refused, on the date delivery is first attempted, and (c) if given by any other means (including by air courier), when delivered.

10.2. 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.

10.3. 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

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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.

10.4. 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.

10.5. 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.

10.6. 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.

10.7. 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 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.

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10.8. 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.

10.9. 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 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.

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(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 10.9(d).

10.10. 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.

10.11. 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.

(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.

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(c) The foregoing amounts are in addition to any other amounts which may be due and payable to Lender under this Agreement.

10.12. 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.

10.13. 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.

10.14. 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

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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.

10.15. 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.

10.16. 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. 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 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. The provisions of this Section 10.16 shall not limit or otherwise affect the right of Lender to institute and conduct an action in any other appropriate manner, jurisdiction or court.

(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

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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 10.16. THE PROVISIONS OF THIS SECTION 10.16 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 10.16 WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

10.17. 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.

10.18. 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.

NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center, by its sole general partner, as follows:

CIF-Newport Plaza Associates, 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:

Attest: _____
Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

CITIZENS BANK OF PENNSYLVANIA

By: _____
Robert L. Schopf
Vice President

Exhibit A

Legal Description of Premises

Exhibit B

Existing Leases

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LOAN AGREEMENT

Dated _____, 2003

by and between

NEWPORT PLAZA ASSOCIATES, L.P. d/b/a

NEWPORT PLAZA SHOPPING CENTER, as Borrower

and

CITIZENS BANK OF PENNSYLVANIA, as Lender

PROMISSORY NOTE

\$5,535,000

Harrisburg, Pennsylvania

To be delivered on _____, 2003
_____, 2003

FOR VALUE RECEIVED, the undersigned, NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center, 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 FIVE MILLION FIVE HUNDRED THIRTY FIVE THOUSAND DOLLARS (\$5,535,000), 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 PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES AND THE COMMONWEALTH OF PENNSYLVANIA.

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 COMMON WEALTH 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.

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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 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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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.

NEWPORT PLAZA ASSOCIATES, L.P., a
Delaware limited partnership, d/b/a Newport
Plaza Shopping Center, by its sole
general partner, as follows:

CIF-Newport Plaza Associates, 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:

Stuart H. Widowski
Secretary

By:

Brenda J. Walker
Vice President

OPEN-END MORTGAGE AND SECURITY AGREEMENT

(THIS MORTGAGE SECURES FUTURE ADVANCES)

THIS OPEN-END MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") is made this ____ day of _____, 2003, to be delivered on _____, 2003, between NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center ("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 principal amount of up to Five Million Five Hundred Thirty Five Thousand Dollars (\$5,535,000) (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 principal amount of Five Million Five Hundred Thirty Five Thousand Dollars (\$5,535,000).

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 Five Million Five Hundred Thirty Five Thousand Dollars (\$5,535,000) 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 known as Newport Plaza located at U.S. Route 322 and Route 34 in Howe Township, Perry 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 66,789 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.

(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, "Newport Plaza".

(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 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.

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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. D359273CP, issued by Commonwealth Land 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 similar Laws of general application affecting the enforcement of creditor's rights.

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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. 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.

(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, and inventory of gasoline at the fueling station operated by Giant Food Stores, Inc. on the Premises, so long as such Hazardous Materials are stored, used and disposed of in accordance with all applicable laws.

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(d) The term "Environmental Report" as used in this Mortgage means the Phase I Environmental Site Assessment dated August 22, 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 Mortgagor, 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 Mortgagor'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. Except as may be set forth in Exhibit B, 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 Mortgagor'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 Mortgagor.

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 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.

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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 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 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 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

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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 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)

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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 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

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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 Partnership Existence and Filings.

(a) Mortgagor shall keep in effect its existence and rights as a limited partnership 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 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

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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 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

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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 (or cause to be delivered) to Mortgagee original or certificates evidencing such insurance, together with copies of such policies, on or before the date hereof. Not less than fifteen (15) days prior to the expiration date of each such policy, Mortgagor will deliver (or cause to be delivered) to Mortgagee original certificates evidencing renewal of such insurance, together with copies of renewal policies policies. Such certificates and policies shall be 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, 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.

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(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 mortgagee 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 have the right to prosecute to final determination or settlement an appeal or

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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 Maturity Date, (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. 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 Maturity Date (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 and to perform all

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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 UNDER OR THROUGH MORTGAGOR, FOR THE RECOVERY BY MORTGAGEE OF POSSESSION OF THE

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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 appraisalment of any of the Mortgaged Property.

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

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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.

(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

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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.

(d) A portion of the Mortgaged Property may be released from the lien of this Mortgage subject to and in accordance with the provisions of Section 2.5 of the Loan Agreement.

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 (certified, return receipt requested) to the respective parties at the following addresses or in accordance with any subsequent unrevoked written direction from any party to the others:

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If to Mortgagor:

Newport Plaza Associates, L.P. d/b/a
Newport Plaza Shopping Center
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, upon delivery or, if delivery is refused, on the date delivery is first attempted, 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

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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.

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IN WITNESS WHEREOF, Mortgagor has caused these presents to be duly executed under seal, the day and year first above written.

NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center, by its sole general partner, as follows:

CIF-Newport Plaza Associates, 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:

Stuart H. Widowski
Secretary

By:

Brenda J. Walker
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

STATE OF _____)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2003, before me a Notary Public in and for the State and County aforesaid, personally appeared Brenda J. Walker and Stuart H. Widowski, who acknowledged themselves to be the Vice President and Secretary, respectively, of Cedar Income Fund, Ltd., a Maryland corporation, the sole general partner of Cedar Income Fund Partnership, L.P., a Delaware limited partnership, the sole member of CIF-Newport Plaza Associates, LLC, a Delaware limited liability company, the sole general partner of NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center, 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 corporation, as sole general partner of the partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

Exhibit A
Legal Description

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made this ___ day of _____, 2003, to be delivered on _____, 2003, by NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center ("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 up to Five Million Five Hundred Thirty Five Thousand Dollars (\$5,535,000) (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 known as Newport Plaza located at U.S. Route 322 and Route 34 in Howe Township, Perry 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 to the extent that they can lawfully be assigned;

(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 beyond any applicable cure periods).

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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 terminate or accept a surrender of any Lease other than by its terms 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 when due in all material respects, 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:

(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 beyond any applicable cure periods; 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 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.

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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.

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IN WITNESS WHEREOF, Assignor has duly executed this Assignment, under seal, as of the day and year first above written.

NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center, by its sole general partner, as follows:

CIF-Newport Plaza Associates, 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: _____
Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

STATE OF _____)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2003, before me a Notary Public in and for the State and County aforesaid, personally appeared Brenda J. Walker and Stuart H. Widowski, who acknowledged themselves to be the Vice President and Secretary, respectively, of Cedar Income Fund, Ltd., a Maryland corporation, the sole general partner of Cedar Income Fund Partnership, L.P., a Delaware limited partnership, the sole member of CIF-Newport Plaza Associates, LLC, a Delaware limited liability company, the sole general partner of NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center, 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 corporation, as sole general partner 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") made this _____ day of _____, 2003, to be delivered on _____, 2003, by and between NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center ("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 up to Five Million Five Hundred Thirty Five Thousand Dollars (\$5,535,000) (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 covering certain land and the buildings and improvements thereon known as Newport Plaza located at U.S. Route 322 and Route 34 in Howe Township, Perry County, Pennsylvania (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 beyond any applicable cure periods;

(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;

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"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 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.

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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"):

(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 (in case of tenant security deposits, subject to the rights of tenants), 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:

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(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 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.

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(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 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 is a party or, to the best of Borrower's knowledge after diligent inquiry, any part of the Project 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.

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(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 or cause to be maintained, 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 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. Borrower shall also comply with all requirements regarding insurance set forth in the Loan Agreement and the Mortgage and, in the event of any conflict between the insurance provisions in this Agreement and such provisions in the Loan Agreement and the Mortgage, such provisions in the Loan Agreement and Mortgage shall govern.

(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.

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(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 (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.

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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 REASONABLE 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

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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 (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 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.

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7. Non-Waiver and Non-Exclusive Remedies.

(a) Non-Exclusive Remedies. Any Event of Default under this Agreement beyond any applicable cure periods 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.

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(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 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.

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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 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.

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(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, beyond any applicable cure periods, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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:

NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center, by its sole general partner, as follows:

CIF-Newport Plaza Associates, 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: _____
Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

LENDER:

CITIZENS BANK OF PENNSYLVANIA

By: _____
Robert L. Schopf
Vice President

Schedule A

Location of Collateral

Newport Plaza
U.S. Route 322 and Route 34
Howe Township, Perry County, Pennsylvania

Schedule B

Location of Debtor

Newport Plaza Associates, L.P. d/b/a
Newport Plaza Shopping Center
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 Department of State's Office
2. Perry County Recorders Office
3. Delaware Secretary of State's Office

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT ("Agreement") is made this ____ day of _____, 2003, to be delivered on _____, 2003, by NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center ("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 up to Five Million Five Hundred Thirty Five Thousand Dollars (\$5,535,000) (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 covering certain land and the buildings and improvements thereon known as Newport Plaza located at U.S. Route 322 and Route 34 in Howe Township, Perry County, Pennsylvania (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 Site Assessment dated August 22, 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.

(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, and inventory of gasoline at the fueling station operated by Giant Food Stores, Inc. at the Project, provided that such Hazardous Substances are stored, used and disposed of in accordance with all applicable Environmental Laws.

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(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 Clean-Up.

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.

(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.

(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 commenced 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, as to Lender or any purchaser of an interest or participation in the Loan prior to repayment, 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, upon delivery or, if delivery is refused, on the date delivery is first attempted, 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

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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.

(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.

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IN WITNESS WHEREOF, Borrower has duly executed this Agreement, under seal, on the date first written above.

NEWPORT PLAZA ASSOCIATES, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center, by its sole general partner, as follows:

CIF-Newport Plaza Associates, 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: _____
Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

STATE OF _____)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2003, before me a Notary Public in and for the State and County aforesaid, personally appeared Brenda J. Walker and Stuart H. Widowski, who acknowledged themselves to be the Vice President and Secretary, respectively, of Cedar Income Fund, Ltd., a Maryland corporation, the sole general partner of Cedar Income Fund Partnership, L.P., a Delaware limited partnership, the sole member of CIF-Newport Plaza Associates, LLC, a Delaware limited liability company, the sole general partner of NEWPORT PLAZA ASSOCIATES, LP, a Delaware limited partnership, d/b/a Newport Plaza Shopping Center, 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 corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

EXHIBIT A

Legal Description

GUARANTY AND SURETYSHIP AGREEMENT

THIS GUARANTY AND SURETYSHIP AGREEMENT (this "Agreement") is made this ____ day of _____, 2003, 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

Newport Plaza Associates, L.P., a Delaware limited partnership, d/b/a Newport Plaza Shopping Center ("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 up to Five Million Five Hundred Thirty Five Thousand Dollars (\$5,535,000) ("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 covering certain land and the buildings and improvements thereon known as Newport Plaza located at U.S. Route 322 and Route 34 in Howe Township, Perry County, Pennsylvania (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, in the aggregate, One Million Eighty Thousand Dollars (\$1,080,000) ("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 interest on the Loan;

(c) The payment of all Hedging Obligations; and

(d) 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 until Lender acquires title to the Project by foreclosure or deed in lieu of foreclosure; (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. If any portion of the Guaranteed Obligations is paid by one Guarantor (and so long as such payment or the benefit thereof to Lender is not recovered, revoked or otherwise eliminated or reduced), then the amount of Guaranteed Obligations collectible from both Guarantors, jointly and severally, shall be reduced by the amount of such payment.

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

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(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:

(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;

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(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

(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.

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(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.

(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 in the aggregate 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.

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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.

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.

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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.

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.

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(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.

(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), each on a consolidated basis.

(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 (certified, return receipt requested) to the respective parties at the following addresses or in accordance with any subsequent unrevoked written direction from any party to the others:

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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

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

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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, upon delivery or, if delivery is refused, on the date delivery is first attempted, and (c) if given by any other means (including by air courier), when delivered.

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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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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: _____

By: _____

Stuart H. Widowski
Secretary

Brenda J. Walker
Vice President

CEDAR INCOME FUND PARTNERSHIP,
L.P., a Delaware limited
partnership, by its sole general
partner, as follows:

Cedar Income Fund, Ltd.

By: _____
Brenda J. Walker
Vice President

STATE OF _____)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2003, before me a
Notary Public in and for the State and County aforesaid, personally appeared
Brenda J. Walker and Stuart H. Widowski, who acknowledged themselves to be the
Vice President and Secretary, 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 corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official
seal.

Notary Public
My Commission Expires:

STATE OF _____)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2003, before me a
Notary Public in and for the State and County aforesaid, personally appeared
Brenda J. Walker, who acknowledged herself to be the Vice President of Cedar
Income Fund, Ltd., a Maryland corporation, the sole general partner of CEDAR
INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership, and that as such
officer being authorized to do so, executed the foregoing instrument for the
purposes therein contained, by signing the name of the corporation, as sole
general partner of the partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official
seal.

Notary Public
My Commission Expires:

Date: 10 February 2003

Newport Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue - Suite 304
Port Washington, New York 11050

Dear Sirs:

Our Reference: CMD00075
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:

<TABLE>	
<CAPTION>	
<S>	<C>
Notional Amount	See Schedule A
Trade Date	06 February 2003
Effective Date	10 February 2003
</TABLE>	

<TABLE>	
<CAPTION>	
<S>	<C>
Termination Date	06 February 2010, subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Amounts
- -----

Fixed Rate Payer	Newport Plaza Associates, L.P.
Fixed Rate Payer Payment Dates	The 6th day of each month from and including 06 March 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Rate	4.33 pct
Fixed Rate Day Count Fraction	Actual / 360

Floating Amounts
- -----

Floating Rate Payer	CBPA
Floating Rate Payer Payment Dates	The 6th day of each month from and including 06 March 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate for initial Calculation Period	1.34 pct
Floating Rate Option	USD-LIBOR-BBA
Designated Maturity	1 Month
Spread	None
Floating Rate Day Count 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:	6202093165
Account Name:	Newport Plaza Associates, L.P.
Bank:	CBPA

</TABLE>

So long as no Event of Default or Termination Event shall have occurred and then be continuing with respect to [Party B], the parties hereto agree that [Party B] may terminate this Transaction by at least [5] Business days prior notice to Party A of its intention to do so, whereupon (a) the obligations of the parties to make any further payments under Section 2(a)(i) of the Agreement in respect of such Transaction shall terminate, (b) the Calculation Agent shall determine a Settlement Amount in accordance with the provisions of the ISDA Master Agreement and provide a statement with respect thereto, and (c) a termination payment shall be made on the Early Termination Date as if such Transaction were a Terminated Transaction and Party B was the Affected Party.

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:
Newport Plaza Associates, L.P.

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

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: _____

Name:

Title: Authorized Signatory

Newport Plaza Associates, L.P.

By: _____

Name:

Title:

SCHEDULE A - CMD00075

Calculation Period			Notional Amount (USD)
10 February 2003	to	06 March 2003	3,635,000.00
06 March 2003	to	06 April 2003	3,628,995.55
06 April 2003	to	06 May 2003	3,622,991.10
06 May 2003	to	06 June 2003	3,616,986.65
06 June 2003	to	06 July 2003	3,610,982.20
06 July 2003	to	06 August 2003	3,604,977.75
06 August 2003	to	06 September 2003	3,598,973.30
06 September 2003	to	06 October 2003	3,592,968.85
06 October 2003	to	06 November 2003	3,586,964.40
06 November 2003	to	06 December 2003	3,580,959.95
06 December 2003	to	06 January 2004	3,574,955.50
06 January 2004	to	06 February 2004	3,568,951.05
06 February 2004	to	06 March 2004	3,562,946.60
06 March 2004	to	06 April 2004	3,556,942.15
06 April 2004	to	06 May 2004	3,550,937.70
06 May 2004	to	06 June 2004	3,544,933.25
06 June 2004	to	06 July 2004	3,538,928.80
06 July 2004	to	06 August 2004	3,532,924.35
06 August 2004	to	06 September 2004	3,526,919.90
06 September 2004	to	06 October 2004	3,520,915.45
06 October 2004	to	06 November 2004	3,514,911.00
06 November 2004	to	06 December 2004	3,508,906.55
06 December 2004	to	06 January 2005	3,502,902.10
06 January 2005	to	06 February 2005	3,496,897.65
06 February 2005	to	06 March 2005	3,490,893.20
06 March 2005	to	06 April 2005	3,484,888.75
06 April 2005	to	06 May 2005	3,478,884.30
06 May 2005	to	06 June 2005	3,472,879.85
06 June 2005	to	06 July 2005	3,466,875.40
06 July 2005	to	06 August 2005	3,460,870.95
06 August 2005	to	06 September 2005	3,454,866.50
06 September 2005	to	06 October 2005	3,448,862.05

06 October 2005	to	06 November 2005	3,442,857.60
06 November 2005	to	06 December 2005	3,436,853.15
06 December 2005	to	06 January 2006	3,430,848.70
06 January 2006	to	06 February 2006	3,424,844.25
06 February 2006	to	06 March 2006	3,418,839.80
06 March 2006	to	06 April 2006	3,412,835.35
06 April 2006	to	06 May 2006	3,406,830.90

SCHEDULE A - CMD00075

Calculation Period		Notional Amount (USD)	
06 May 2006	to	06 June 2006	3,400,826.45
06 June 2006	to	06 July 2006	3,394,822.00
06 July 2006	to	06 August 2006	3,388,817.55
06 August 2006	to	06 September 2006	3,382,813.10
06 September 2006	to	06 October 2006	3,376,808.65
06 October 2006	to	06 November 2006	3,370,804.20
06 November 2006	to	06 December 2006	3,364,799.75
06 December 2006	to	06 January 2007	3,358,795.30
06 January 2007	to	06 February 2007	3,352,790.85
06 February 2007	to	06 March 2007	3,346,786.40
06 March 2007	to	06 April 2007	3,340,781.95
06 April 2007	to	06 May 2007	3,334,777.50
06 May 2007	to	06 June 2007	3,328,773.05
06 June 2007	to	06 July 2007	3,322,768.60
06 July 2007	to	06 August 2007	3,316,764.15
06 August 2007	to	06 September 2007	3,310,759.70
06 September 2007	to	06 October 2007	3,304,755.25
06 October 2007	to	06 November 2007	3,298,750.80
06 November 2007	to	06 December 2007	3,292,746.35
06 December 2007	to	06 January 2008	3,286,741.90
06 January 2008	to	06 February 2008	3,280,737.45
06 February 2008	to	06 March 2008	3,274,733.00
06 March 2008	to	06 April 2008	3,268,728.55
06 April 2008	to	06 May 2008	3,262,724.10
06 May 2008	to	06 June 2008	3,256,719.65
06 June 2008	to	06 July 2008	3,250,715.20
06 July 2008	to	06 August 2008	3,244,710.75
06 August 2008	to	06 September 2008	3,238,706.30
06 September 2008	to	06 October 2008	3,232,701.85
06 October 2008	to	06 November 2008	3,226,697.40
06 November 2008	to	06 December 2008	3,220,692.95
06 December 2008	to	06 January 2009	3,214,688.50
06 January 2009	to	06 February 2009	3,208,684.05
06 February 2009	to	06 March 2009	3,202,679.60
06 March 2009	to	06 April 2009	3,196,675.15
06 April 2009	to	06 May 2009	3,190,670.70
06 May 2009	to	06 June 2009	3,184,666.25
06 June 2009	to	06 July 2009	3,178,661.80
06 July 2009	to	06 August 2009	3,172,657.35

SCHEDULE A - CMD00075

Calculation Period		Notional Amount (USD)	
06 August 2009	to	06 September 2009	3,166,652.90
06 September 2009	to	06 October 2009	3,160,648.45
06 October 2009	to	06 November 2009	3,154,644.00
06 November 2009	to	06 December 2009	3,148,639.55
06 December 2009	to	06 January 2010	3,142,635.10
06 January 2010	to	06 February 2010	3,136,630.65

Please be advised that all dates are subject to adjustment in accordance with the Modified Following Business Day Convention.

Date: 11 February 2003

Newport Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue - Suite 304
Port Washington, New York 11050

Dear Sirs:

Our Reference: CMD00077
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:

<TABLE>	
<CAPTION>	
<S>	<C>
Notional Amount	See Schedule A
Trade Date	06 February 2003
Effective Date	10 February 2003
</TABLE>	
<TABLE>	
<CAPTION>	
<S>	<C>
Termination Date	06 February 2010, subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Amounts
- -----

Fixed Rate Payer	Newport Plaza Associates, L.P.
Fixed Rate Payer Payment Dates	The 6th day of each month from and including 06 March 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Rate	4.33 pct
Fixed Rate Day Count Fraction	Actual / 360

Floating Amounts
- - - - -

Floating Rate Payer	CBPA
Floating Rate Payer Payment Dates	The 6th day of each month from and including 06 March 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate for initial Calculation Period	1.34 pct
Floating Rate Option	USD-LIBOR-BBA
Designated Maturity	1 Month
Spread	None
Floating Rate Day Count 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:	6202093165
Account Name:	Newport Plaza Associates, L.P.
Bank:	CBPA

</TABLE>

So long as no Event of Default or Termination Event shall have occurred and then be continuing with respect to [Party B], the parties hereto agree that [Party B] may terminate this Transaction by at least [5] Business days prior notice to Party A of its intention to do so, whereupon (a) the obligations of the parties to make any further payments under Section 2(a)(i) of the Agreement in respect of such Transaction shall terminate, (b) the Calculation Agent shall determine a Settlement Amount in accordance with the provisions of the ISDA Master Agreement and provide a statement with respect thereto, and (c) a termination payment shall be made on the Early Termination Date as if such Transaction were a Terminated Transaction and Party B was the Affected Party.

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:
Newport Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue - Suite 304

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: _____

Name:
Title: Authorized Signatory

Newport Plaza Associates, L.P.

By: _____

Name:
Title:

SCHEDULE A - CMD00077

Calculation Period	Notional Amount (USD)
10 February 2003 to 06 March 2003	300,000.00
06 March 2003 to 06 April 2003	299,504.45
06 April 2003 to 06 May 2003	299,008.90
06 May 2003 to 06 June 2003	298,513.35
06 June 2003 to 06 July 2003	298,017.80
06 July 2003 to 06 August 2003	297,522.25
06 August 2003 to 06 September 2003	297,026.70
06 September 2003 to 06 October 2003	296,531.15
06 October 2003 to 06 November 2003	296,035.60
06 November 2003 to 06 December 2003	295,540.05
06 December 2003 to 06 January 2004	295,044.50
06 January 2004 to 06 February 2004	294,548.95
06 February 2004 to 06 March 2004	294,053.40
06 March 2004 to 06 April 2004	293,557.85
06 April 2004 to 06 May 2004	293,062.30
06 May 2004 to 06 June 2004	292,566.75
06 June 2004 to 06 July 2004	292,071.20
06 July 2004 to 06 August 2004	291,575.65
06 August 2004 to 06 September 2004	291,080.10
06 September 2004 to 06 October 2004	290,584.55
06 October 2004 to 06 November 2004	290,089.00
06 November 2004 to 06 December 2004	289,593.45
06 December 2004 to 06 January 2005	289,097.90
06 January 2005 to 06 February 2005	288,602.35
06 February 2005 to 06 March 2005	288,106.80
06 March 2005 to 06 April 2005	287,611.25
06 April 2005 to 06 May 2005	287,115.70
06 May 2005 to 06 June 2005	286,620.15
06 June 2005 to 06 July 2005	286,124.60
06 July 2005 to 06 August 2005	285,629.05
06 August 2005 to 06 September 2005	285,133.50
06 September 2005 to 06 October 2005	284,637.95
06 October 2005 to 06 November 2005	284,142.40
06 November 2005 to 06 December 2005	283,646.85
06 December 2005 to 06 January 2006	283,151.30
06 January 2006 to 06 February 2006	282,655.75
06 February 2006 to 06 March 2006	282,160.20
06 March 2006 to 06 April 2006	281,664.65
06 April 2006 to 06 May 2006	281,169.10

Calculation Period		Notional Amount (USD)
06 May 2006	to 06 June 2006	280,673.55
06 June 2006	to 06 July 2006	280,178.00
06 July 2006	to 06 August 2006	279,682.45
06 August 2006	to 06 September 2006	279,186.90
06 September 2006	to 06 October 2006	278,691.35
06 October 2006	to 06 November 2006	278,195.80
06 November 2006	to 06 December 2006	277,700.25
06 December 2006	to 06 January 2007	277,204.70
06 January 2007	to 06 February 2007	276,709.15
06 February 2007	to 06 March 2007	276,213.60
06 March 2007	to 06 April 2007	275,718.05
06 April 2007	to 06 May 2007	275,222.50
06 May 2007	to 06 June 2007	274,726.95
06 June 2007	to 06 July 2007	274,231.40
06 July 2007	to 06 August 2007	273,735.85
06 August 2007	to 06 September 2007	273,240.30
06 September 2007	to 06 October 2007	272,744.75
06 October 2007	to 06 November 2007	272,249.20
06 November 2007	to 06 December 2007	271,753.65
06 December 2007	to 06 January 2008	271,258.10
06 January 2008	to 06 February 2008	270,762.55
06 February 2008	to 06 March 2008	270,267.00
06 March 2008	to 06 April 2008	269,771.45
06 April 2008	to 06 May 2008	269,275.90
06 May 2008	to 06 June 2008	268,780.35
06 June 2008	to 06 July 2008	268,284.80
06 July 2008	to 06 August 2008	267,789.25
06 August 2008	to 06 September 2008	267,293.70
06 September 2008	to 06 October 2008	266,798.15
06 October 2008	to 06 November 2008	266,302.60
06 November 2008	to 06 December 2008	265,807.05
06 December 2008	to 06 January 2009	265,311.50
06 January 2009	to 06 February 2009	264,815.95
06 February 2009	to 06 March 2009	264,320.40
06 March 2009	to 06 April 2009	263,824.85
06 April 2009	to 06 May 2009	263,329.30
06 May 2009	to 06 June 2009	262,833.75
06 June 2009	to 06 July 2009	262,338.20
06 July 2009	to 06 August 2009	261,842.65

SCHEDULE A - CMD00077

Calculation Period		Notional Amount (USD)
06 August 2009	to 06 September 2009	261,347.10
06 September 2009	to 06 October 2009	260,851.55
06 October 2009	to 06 November 2009	260,356.00
06 November 2009	to 06 December 2009	259,860.45
06 December 2009	to 06 January 2010	259,364.90
06 January 2010	to 06 February 2010	258,869.35

Please be advised that all dates are subject to adjustment in accordance with the Modified Following Business Day Convention.

Newport Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue - Suite 304
Port Washington, New York 11050

Date: 14 February 2003

Dear Sirs

Our Reference: CMSW10001
Re: USD Amortizing Interest Rate Swap/Option

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 which is an Option on the Underlying Transaction referred to below are as follows:

<TABLE> <CAPTION> <S>	<C>
1. Swaption Terms	
Trade Date	06 February 2003
Option Style	European
Seller	CBPA
Buyer	Newport Plaza Associates, L.P.
Premium	Consideration paid under swap reference numbers: CMD00075, CMD00077, CMD00079 & CMD00081
Premium Payment Date	N/A
Business Days for Payments	N/A

<TABLE> <CAPTION> <S>	<C>
2. Procedure for Exercise	
Exercise Period	The Expiration Date from, and including, 9.00 a.m. New York time to, and including, the Expiration Time
Expiration	Date 26 June 2003 or, if such day is not a New York and London Business Day, the next following such Business Day
Expiration Time	11:00am New York time
Exercise Business Day	New York and London

Partial Exercise	Inapplicable
Written Confirmation of Exercise	Applicable
Automatic Exercise	Inapplicable

3. Settlement Terms

Settlement	Physical
------------	----------

4. The particular terms of the Underlying Swap Transaction to which this Confirmation relates are as follows:

<TABLE>	
<CAPTION>	
<S>	
Notional Amount	<C> See Schedule A
Trade Date	06 February 2003
Effective Date	30 June 2003
Termination Date	06 February 2010, subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Amounts	
- - - - -	
Fixed Rate Payer	Newport Plaza Associates, L.P.
Fixed Rate Payer Payment Dates	The 6th day of each month from and including 06 August 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Rate	4.33 pct
Fixed Rate Day Count Fraction	Actual / 360

<TABLE>	
<CAPTION>	
<S>	
Floating Amounts	
- - - - -	
Floating Rate Payer	CBPA
Floating Rate Payer Payment Dates	The 6th day of each month from and including 06 August 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate for initial Calculation Period	To be advised
Floating Rate Option	USD-LIBOR-BBA
Designated Maturity	1 Month (The initial Calculation Period will be subject to a Linear Interpolation)
Spread	None
Floating Rate Day Count 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:	6202093165
Account Name:	Newport Plaza Associates, L.P.
Bank:	CBPA

</TABLE>

So long as no Event of Default or Termination Event shall have occurred and then be continuing with respect to Counterparty, the parties hereto agree that

Counterparty may terminate this Transaction by at least [5] Business days prior notice to CBPA of its intention to do so, whereupon (a) the obligations of the parties to make any further payments under Section 2(a)(i) of the Agreement in respect of such Transaction shall terminate, (b) the Calculation Agent shall determine a Settlement Amount in accordance with the provisions of the ISDA Master Agreement and provide a statement with respect thereto, and (c) a termination payment shall be made on the Early Termination Date as if such Transaction were a Terminated Transaction and Counterparty was the Affected Party.

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 Confirmation 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:
Newport Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue - Suite 304
Port Washington, New York 11050

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: _____

Name:
Title: Authorized Signatory

Newport Plaza Associates, L.P.

By: _____

Name:
Title:

SCHEDULE A - CMSW10001

Calculation Period Notional Amount (USD)

30 June 2003	to	06 August 2003	1,600,000.00
06 August 2003	to	06 September 2003	1,597,400.00
06 September 2003	to	06 October 2003	1,594,800.00
06 October 2003	to	06 November 2003	1,592,200.00
06 November 2003	to	06 December 2003	1,589,600.00
06 December 2003	to	06 January 2004	1,587,000.00
06 January 2004	to	06 February 2004	1,584,400.00
06 February 2004	to	06 March 2004	1,581,800.00
06 March 2004	to	06 April 2004	1,579,200.00

06 April 2004	to	06 May 2004	1,576,600.00
06 May 2004	to	06 June 2004	1,574,000.00
06 June 2004	to	06 July 2004	1,571,400.00
06 July 2004	to	06 August 2004	1,568,800.00
06 August 2004	to	06 September 2004	1,566,200.00
06 September 2004	to	06 October 2004	1,563,600.00
06 October 2004	to	06 November 2004	1,561,000.00
06 November 2004	to	06 December 2004	1,558,400.00
06 December 2004	to	06 January 2005	1,555,800.00
06 January 2005	to	06 February 2005	1,553,200.00
06 February 2005	to	06 March 2005	1,550,600.00
06 March 2005	to	06 April 2005	1,548,000.00
06 April 2005	to	06 May 2005	1,545,400.00
06 May 2005	to	06 June 2005	1,542,800.00
06 June 2005	to	06 July 2005	1,540,200.00
06 July 2005	to	06 August 2005	1,537,600.00
06 August 2005	to	06 September 2005	1,535,000.00
06 September 2005	to	06 October 2005	1,532,400.00
06 October 2005	to	06 November 2005	1,529,800.00
06 November 2005	to	06 December 2005	1,527,200.00
06 December 2005	to	06 January 2006	1,524,600.00
06 January 2006	to	06 February 2006	1,522,000.00
06 February 2006	to	06 March 2006	1,519,400.00
06 March 2006	to	06 April 2006	1,516,800.00
06 April 2006	to	06 May 2006	1,514,200.00
06 May 2006	to	06 June 2006	1,511,600.00
06 June 2006	to	06 July 2006	1,509,000.00
06 July 2006	to	06 August 2006	1,506,400.00
06 August 2006	to	06 September 2006	1,503,800.00
06 September 2006	to	06 October 2006	1,501,200.00
06 October 2006	to	06 November 2006	1,498,600.00

SCHEDULE A - CMSW10001

Calculation Period		Notional Amount (USD)
06 November 2006	to 06 December 2006	1,496,000.00
06 December 2006	to 06 January 2007	1,493,400.00
06 January 2007	to 06 February 2007	1,490,800.00
06 February 2007	to 06 March 2007	1,488,200.00
06 March 2007	to 06 April 2007	1,485,600.00
06 April 2007	to 06 May 2007	1,483,000.00
06 May 2007	to 06 June 2007	1,480,400.00
06 June 2007	to 06 July 2007	1,477,800.00
06 July 2007	to 06 August 2007	1,475,200.00
06 August 2007	to 06 September 2007	1,472,600.00
06 September 2007	to 06 October 2007	1,470,000.00
06 October 2007	to 06 November 2007	1,467,400.00
06 November 2007	to 06 December 2007	1,464,800.00
06 December 2007	to 06 January 2008	1,462,200.00
06 January 2008	to 06 February 2008	1,459,600.00
06 February 2008	to 06 March 2008	1,457,000.00
06 March 2008	to 06 April 2008	1,454,400.00
06 April 2008	to 06 May 2008	1,451,800.00
06 May 2008	to 06 June 2008	1,449,200.00
06 June 2008	to 06 July 2008	1,446,600.00
06 July 2008	to 06 August 2008	1,444,000.00
06 August 2008	to 06 September 2008	1,441,400.00
06 September 2008	to 06 October 2008	1,438,800.00
06 October 2008	to 06 November 2008	1,436,200.00
06 November 2008	to 06 December 2008	1,433,600.00
06 December 2008	to 06 January 2009	1,431,000.00
06 January 2009	to 06 February 2009	1,428,400.00
06 February 2009	to 06 March 2009	1,425,800.00
06 March 2009	to 06 April 2009	1,423,200.00
06 April 2009	to 06 May 2009	1,420,600.00
06 May 2009	to 06 June 2009	1,418,000.00
06 June 2009	to 06 July 2009	1,415,400.00
06 July 2009	to 06 August 2009	1,412,800.00
06 August 2009	to 06 September 2009	1,410,200.00
06 September 2009	to 06 October 2009	1,407,600.00
06 October 2009	to 06 November 2009	1,405,000.00
06 November 2009	to 06 December 2009	1,402,400.00
06 December 2009	to 06 January 2010	1,399,800.00
06 January 2010	to 06 February 2010	1,397,200.00

Please be advised all dates are subject to adjustment in accordance with the Modified Following Business Day Convention

AGREEMENT FOR THE SALE OF REAL ESTATE

This AGREEMENT FOR THE SALE OF REAL ESTATE, hereinafter, "Agreement", is made this _____ day of August, 2002, by and between CEDAR INCOME FUND PARTNERSHIP, L.P., a limited partnership organized and existing under the laws of the State of Delaware having a principal place of business located at 44 South Bayles Avenue, Port Washington, New York, 11050, hereinafter referred to as "Buyer", and MARK G. CALDWELL, t/d/b/a CALDWELL DEVELOPMENT COMPANY, having a principal place of business located at 434 North Front Street, Wormleysburg, Cumberland County, Pennsylvania 17043, hereinafter referred to as "Seller".

W I T N E S S E T H:

WHEREAS, Seller owns a tract of land upon which it has erected a Giant supermarket- anchored shopping center of approximately 8.5208 acres, more or less, located in Halifax Township, Dauphin County, Pennsylvania, having an address of Halifax Plaza, Peter's Mountain Road, Halifax, Pennsylvania and bearing Dauphin County Tax Assessment Parcel No.29-017-003; and

WHEREAS, Buyer, subject to the requisites, conditions and terms as set forth in this Agreement, desires to purchase said real estate and the parties do wish, therefore, to set forth the actual terms of purchase as hereinafter provided.

NOW, THEREFORE, Buyer and Seller, each intending to be legally bound hereby, do covenant and agree as follows:

1. PROPERTY.

Seller agrees to sell, and Buyer agrees to buy, all of the following (collectively, the "Property"):

a. A certain tract of land upon which Seller has erected a Giant supermarket-anchored shopping center of approximately 8.5208 acres, more or less, located in Halifax Township, Dauphin County, Pennsylvania, and bearing Dauphin County Tax Assessment Parcel No. 29-017-003 (hereinafter, the "Premises"). The Premises does include any buildings, improvements, privileges, rights, including development rights and governmental approvals, easements and appurtenances thereunto belonging and all of Seller's right, title and interest, if any, in and to the land lying within any street, alley, roadway or property adjoining the Premises;

b. The Seller's interest in the leases, and the rents due thereon (together with all security deposits, and Seller's rights, to the extent assignable to, to all guaranties securing the performance of the tenants' obligations thereunder), being all leases of all or any portion of the Premises, including the leases as listed on Exhibit "A" hereto and leases which may be made by Seller after the date of this Agreement and prior to closing as permitted by this Agreement, (the "Leases");

c. The tangible personal property, being all equipment, machinery, furniture, furnishings, supplies and other tangible personal property owned by Seller, and Seller's interest in any such property leased by Seller, now or hereafter located in and used in connection with the operation, ownership or management of the Premises, ("Tangible Personal Property");

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d. The intangible personal property, being all intangible personal property related to the Premises and the improvements, including, without limitation: all trade names and trade marks associated with the Premises and the improvements, including Seller's rights and interests in the name of the Premises; the plans and specifications and other architectural and engineering drawings for the improvements; warranties; contract rights related to the construction, operation, ownership or management of the Premises (but only to the extent Seller's obligations hereunder are expressly assumed by Buyer pursuant to this Agreement); governmental permits, approvals and licenses (to the extent assignable); and all records relating to the Premises, ("Intangible Personal Property");

e. If Closing occurs, all of Seller's right, title and interest in and to any unpaid award for the taking by eminent domain or condemnation of all or any portion of the Premises.

2. PURCHASE PRICE.. The purchase price for the Premises shall be Five Million Two Hundred and Forty Thousand and 00/100 (\$5,240,000.00) Dollars, subject to prorations and adjustments as provided in this Agreement. The purchase price shall be paid as follows:

a) the sum of Fifty Thousand and 00/100 (\$50,000.00) Dollars

to be placed in escrow upon execution of this Agreement, of which Five Thousand and 00/100 (\$5,000.00) Dollars shall be non-refundable, as hereinafter provided, but all sums (such amount, together with interest accruing thereon, the "First Deposit") to be credited to the purchase price; and

b) the sum of Fifty Thousand and 00/100 (\$50,000.00) Dollars (such amount, together with interest accruing thereon, the "Second Deposit") (the "First Deposit" and the "Second Deposit",

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collectively, the "Deposit") to be placed in escrow upon completion of the due diligence period, as hereinafter defined, to be credited to the purchase price; and

c) the balance to be paid at Closing as hereinafter provided. All sums shall be held in escrow by Buyer's title insurance company, New York Land Services, Ltd., as agent for Title Insurance Company, in an interest-bearing account with all interest accruing to the benefit of Buyer. The title insurance company shall act as the escrow agent (the, "Escrow Agent") and shall disburse the sums held at Closing or upon written direction of Buyer and Seller, or as otherwise provided under this Agreement. In the event of any dispute between Buyer and Seller, the Escrow Agent shall deposit the sums with the Court of Common Pleas of Cumberland County or to any impartial party or trustee as agreed between Buyer and Seller to hold said sums in accordance until further direction of Buyer and Seller or final Court order.

3. TITLE. Title to the Premises shall be good and marketable, fee simple title, free and clear of all liens, claims of adverse possession or prescriptive rights, easements, covenants, restrictions and other encumbrances which directly adversely impact upon the present use of the Premises ("Encumbrances") whatsoever, as shall be insurable as such at regular rates by title companies licensed to do business in the Commonwealth of Pennsylvania. Buyer shall have the sole but reasonable discretion to determine whether the title is acceptable to Buyer for the use set forth herein and such determination is an absolute condition precedent to Buyer's obligations hereunder, provided that Buyer informs Seller of any unacceptable title conditions ("Buyer's Objections") prior to the end of the due diligence period, exclusive of title conditions which arise subsequent to the due

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diligence period but prior to Settlement. Buyer shall perform its initial title examination within the due diligence period and at that time give a preliminary written notice to the Seller concerning the acceptability of title. A final title examination will be done prior to transfer of title. In the event, however, Buyer would determine that title is not acceptable, Buyer shall timely provide Seller written notice of any defects, deficiency, clouds in said title, and Seller shall, within ten (10) days after receipt of Buyer's Title Objections, give written notice to Buyer ("Seller's Notice") stating whether Seller will cure all Buyer's Objections on or prior to the Closing, or which of such objections Seller will refuse to cure. If Seller's Notice indicates that Seller refuses to cure any Buyer's Objection, then Buyer shall have the option to take title with the objectionable condition "as- is" or terminate this Agreement on written notice to Seller given within ten (10) days of receipt of Seller's Notice, in which event Escrow Agent shall refund the Deposit to Buyer, whereupon neither party shall have any further duty or obligation to the other. Seller shall at Closing, convey marketable title free and clear of all Buyer's Objections which Seller agreed in Seller's Notice Seller would cure. In addition, and notwithstanding anything to the contrary set forth in this Agreement, Seller shall cure at or prior to Closing any Encumbrance which can be removed at time of Closing by payment of liquidated amount or by posting a bond, as well as any Encumbrance arising after the date of Buyer's delivery of Buyer's Objections and prior to the Closing Date, except for any of the foregoing arising from the acts or omissions of Buyer, its agents, contractors or employees. Seller shall not be obligated to cure non-liquidated Encumbrances (e.g., easements, covenants and restrictions) of record as of the date of Buyer's Objection and which Seller advises Buyer in Seller's

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Notice that Seller does not wish to cure. Seller shall have a period not to exceed forty-five (45) days to cure any Buyer's Objection to Buyer's reasonable satisfaction, which may require an appropriate extension of the Closing Date.

4. PROPERTY INFORMATION AND DOCUMENTATION. To the extent such items are in Seller's possession or control, Seller shall provide to Buyer the following

(the, "Property Information"), to the extent not previously provided to Buyer, and to the extent applicable and/or in existence, within seven (7) business days after the date of this Agreement:

a) Rent Roll - Seller has previously furnished to Cassidy & Pinkard, who has in turn furnished to Buyer, a rent roll for the Property, a true and correct copy of which is marked Exhibit "A", incorporated herein by reference thereto and made a part hereof. However, Seller will, in addition, provide a current delinquency report upon seven (7) business days after the date of this Agreement. Not more than four (4) days before date of Closing (the, "Closing Date"), Seller shall deliver to Buyer an updated Rent Roll certified by Seller as true and accurate as of the date delivered bearing no material variations from the Rent Roll attached hereto as Exhibit "A";

b) Operating Statements. Operating statements of the Premises in the form utilized by Seller for the thirty-six (36) months preceding this Agreement ("Operating Statements");

c) Tax Statements. Copies or a summary of ad valorem tax statements relating to the Premises for the current year or other current tax period (if available) and the twenty-four (24) months preceding this Agreement;

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d) Leases. Copies of all Leases (including all amendments and guarantees) and a list ("Commission Schedule") of commission agreements related to the Leases or the Premises;

e) Service Contracts. A list together with copies of all management, service, supply, equipment rental, and other contracts related to the operation of the Premises ("Service Contracts");

f) Maintenance Records. All available maintenance work orders for the twelve (12) months preceding this Agreement;

g) List of Capital Improvements. A list of all capital improvements known to Seller and performed on the Premises within the twenty-four (24) months preceding this Agreement;

h) Other Reports. Any other report, document, study, material or information (including, without limitation, environmental and soils reports) in Seller's possession or control related to the Premises;

i) Plans and Specifications. All construction plans and specifications in Seller's possession relating to the original development of the Premises and any major capital repairs or tenant improvements; and

j) Existing Title and Survey Documents. Copy of Seller's existing title insurance policy and any existing surveys of the Premises, to include the approved Land Development Plan; and

k) Utility Bills. Copies of utility bills for a period of the twelve (12) previous months preceding this Agreement;

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l) Tenant Billings. Copies of all tenant billings for CAM, taxes and insurance for the preceding 24 months and the amounts paid by tenants therefor.

Upon delivery of the last item of Property Information, Seller shall promptly deliver to Buyer a written notice (the, "Property Information Notice") certifying that all such deliveries have been completed together with an itemization of the matters delivered or made available to Buyer. The term "Commencement Date" shall mean the date upon which the Property Information Notice is received by Buyer or, if the Seller does not send a Property Information Notice, then the date the Buyer reasonably determines that it has received all of the Property Information. Notwithstanding the foregoing, under no circumstances shall the Commencement Date be earlier than the date of this Agreement. Seller shall have an ongoing obligation during the pendency of this Agreement to provide Buyer with any document described above and coming into Seller's possession or produced by Seller after the initial delivery of the Property Information. If Buyer does not purchase the Premises, all materials provided to Buyer, in accord with this Paragraph 4, or otherwise, shall be promptly returned to Seller.

5. DUE DILIGENCE. Buyer shall have, through the last day of the due diligence period, which shall be thirty (30) days from the Commencement Date, or five (5) days from the date Buyer receives an appraisal of the Premises and Phase I environmental report, whichever is later (but in no event later than

forty-five (45) days from the Commencement Date), in which to examine, inspect and investigate the Premises and, in Buyer's sole and absolute judgment and discretion, to determine whether the Premises is acceptable to Buyer and to obtain all necessary internal approvals,

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(the "Due Diligence Period"). In the event the Buyer determines in its reasonable discretion that a Phase II environmental report is necessary to permit Buyer to complete Buyer's due diligence, the Due Diligence Period shall be extended for a reasonable period of time, not to exceed thirty (30) days, from the date the Buyer receives the Phase I environmental report. If Buyer, by written notice to Seller, waives its right to terminate this Agreement pursuant to this Paragraph prior to the last day of the Due Diligence Period, then the Due Diligence Period shall be deemed to have ended on the date such notice is received by Seller. Notwithstanding anything to the contrary in this Agreement, Buyer may terminate this Agreement by giving notice of termination to Seller (the, "Due Diligence Termination Notice") on or before the last day of the Due Diligence Period. If Buyer does not give the Due Diligence Termination Notice, this Agreement shall continue in full force and effect. If this Agreement terminates pursuant to this Paragraph, the First Deposit, other than the \$5,000.00 identified as non-refundable, shall be refunded to Buyer immediately, and all further rights and obligations of the parties under this Agreement shall terminate. If this Agreement is not terminated pursuant to this Paragraph, Buyer shall have the obligation to immediately place in escrow the Second Deposit and the Deposit (i.e, First Deposit and Second Deposit) which shall then be deemed non-refundable absent Seller's breach. In the event that Buyer would not proceed with this Agreement, it shall furnish to Seller copies of all tests, surveys, reports and inspections obtained by Buyer without cost. Seller shall receive notice of the performance of any tests and inspections and have the right to be present.

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Buyer shall have reasonable access to the Premises for the purpose of conducting surveys, architectural, engineering, geotechnical and environmental inspections and tests (including intrusive inspection and sampling), and any other inspections, studies or tests reasonably required by Buyer, but in a manner not disruptive of ongoing business. Seller shall cooperate with Buyer and enforce the provisions of existing tenants' leases, if necessary to facilitate Buyer's access and inspections. Buyer shall keep the Premises free and clear of any liens and will indemnify, defend and hold Seller harmless from all claims and liabilities asserted against Seller as a result of any such entry by Buyer, its agents, employees or representatives. If any inspection or tests disturbs the Premises, Buyer will restore the Premises to the same condition as existed prior to any such inspection or test. Buyer and its agents, employees and representatives shall have a continuing right of reasonable access to the Premises during the pendency of this Agreement for the purpose of examining and making copies of all books and records and other materials relating to the Premises in Seller's or its property manager's possession and Buyer shall have the right to conduct a "walk-through" of the Premises prior to Closing upon appropriate notice to tenants as permitted under the Leases. In the course of its investigations, Buyer may make inquiries to third parties, including, without limitation, tenants, lenders, contractors, property managers, parties to Service Contracts and municipal, local and other government officials and representatives, and Seller consents to such inquiries, provided same are performed in a professional manner and does not disrupt any ongoing business. The obligations of the Buyer under this Paragraph shall survive the termination of this Agreement.

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6. SELLER'S LIMITED RIGHT TO WITHDRAW

Seller and Seller's current lender for the Premises are presently engaged in discussions concerning the imposition of a prepayment penalty regarding Seller's current debt. In the event Seller is not able to reach satisfactory resolution of this issue with its lender within forty-five (45) days of the date of this Agreement, Seller shall have the right to suspend the time periods herein provided for a period of up to six (6) further months in order to resolve to Seller's satisfaction through declaratory judgment proceedings, or otherwise, Seller's prepayment issue with its current lender. If such issue is not resolved within said period, either party shall have the right to terminate this Agreement, whereupon Seller's total liability shall be reimbursement to Buyer of any actual due diligence costs that Buyer has expended, to include an appraisal of the property, upon submission of appropriate documentation to Seller, and a limitation on such expense

reimbursement of Twenty- Five Thousand and 00/100 (\$25,000.00) Dollars. Buyer shall also receive refund of the Deposit in such event. Furthermore, in the event Seller would exercise this option to terminate this Agreement, such would not constitute a default under this Agreement or a default under such other Agreements with Double M Development and Caldwell Development, Inc., as hereinafter identified. In the event Seller would exercise the right to terminate, at Buyer's sole cost and expense, Seller will execute and deliver to Buyer's attorney at the time of execution of this Agreement, in recordable form, a memorandum setting forth Buyer's rights hereunder but which shall automatically expire after eighteen (18) months following termination of the Agreement, but which memorandum shall not be

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recorded in the event Seller or Buyer do not exercise their right to terminate this Agreement as herein provided, at which time the expiration date shall be inserted with notice to Seller. In the event, within one hundred and eighty (180) days of the date of Seller's notice to withdraw, Seller is able to resolve, to his satisfaction, issues with his lender, he shall notify Buyer, who shall within ten (10) days of receipt of said notice, advise Seller in writing whether it wishes to re-proceed with the purchase, whereupon settlement shall occur within sixty (60) days thereafter in accord with all other terms of this Agreement, noting that, if Seller has reimbursed Buyer for some due diligence costs to the extent not duplicated in the purchase, the reimbursed amount shall be added to the purchase price.

In the event Seller is not able to resolve, to his satisfaction, any issues with his lender within one hundred and eighty (180) days, but is able to do so within eighteen (18) months of the date of Seller's notice of withdrawal, or Seller receives another offer to sell the Premises within said eighteen (18) month period, which Seller desires to accept, Seller shall, in either event, notify Buyer, who shall then within ten (10) days of receipt of said notice advise Seller in writing whether Buyer wishes to re-proceed with the purchase, with settlement to be held within sixty (60) days. If in response to a third-party offer, Buyer may exercise this right but only in accord with the terms and price set forth in the third-party offer; or the price as proposed by Seller in Seller's notice to Buyer if there is no third-party offer. If Buyer does not notify Seller within ten (10) days of receipt of Seller's notice, this right shall automatically expire and Buyer shall reasonably cooperate in memorializing such expiration of record, if so requested.

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7. TENANT ESTOPPELS. Seller shall secure and deliver to Buyer, no later than five (5) business days before the Closing Date, estoppel certificates from Giant Food Stores, Inc., Pennsylvania Liquor Control Board, McDonalds Corporation and seventy-five percent (75%) of the other tenants in the form of Exhibit "B" attached hereto ("Tenant Estoppels"). The Tenant Estoppels shall be delivered to the tenants no earlier than twenty (20) days prior to the Closing Date. Seller shall provide Buyer with copies of the Tenant Estoppels for Buyer's review and comment before delivering the Tenant Estoppels to tenants. Buyer's obligation to close the transaction contemplated under this Agreement is subject to the condition that as of Closing: (i) Estoppel Certificates for all Leases consistent with the Rent Roll and the representations of Seller in Paragraph 10 have been delivered to Buyer, (ii) no material default or claim by landlord or tenant shall have arisen under any Leases that was not specifically disclosed in the Rent Roll; and (iii) no tenant shall have initiated or had initiated against it any insolvency, bankruptcy, receivership or other similar proceeding. Seller shall use its best efforts to obtain and timely deliver the required certificates. In the event all required certificates are not available by the date of Closing, Closing shall be continued for up to seven (7) business days to acquire same.

8. SERVICE CONTRACTS. During the Due Diligence Period, the parties will endeavor to agree as to which Service Contracts Buyer will assume and which Service Contracts, to the extent legally possible, will be terminated by Seller at Closing. Buyer will assume the obligations arising from and after the Closing Date under those Service Contracts that are not in default as of the Closing Date and which Seller and Buyer have agreed will not be terminated and

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those Service Contracts which, by their terms, are not capable of termination at that time. Seller shall terminate at Closing all Service Contracts that are not so assumed and are legally capable of being terminated at that time. Seller shall terminate at Closing, and Buyer shall not assume, any property management agreement affecting the Premises.

9. OPERATIONS AND RISK OF LOSS.

A. Ongoing Operations. During the pendency of this Agreement:

1. Performance Under Leases, Service Contracts and Loans. Seller shall

(i) carry on its business and activities relating to the Premises substantially in the same manner as it did before the date of this Agreement, and (ii) perform its material obligations under the Leases and Service Contracts and other agreements that may affect the Premises. Effective as of the Closing Date, each party agrees to indemnify and hold the other harmless from any default or breach by the other under the Service Contracts and Leases assumed by Buyer.

2. New Contracts. Seller will not enter into any contract that will be an obligation affecting the Premises subsequent to the Closing except contracts entered into in the ordinary course of business that are terminable without cause on thirty (30) days' notice.

3. Listings and Other Offers. Seller will not list the Premises with any broker or otherwise solicit or make or accept any offers to sell the Premises, engage in any discussions or negotiations with any third party with respect to the sale or other disposition

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of the Premises, or enter into any contracts or agreements (whether binding or not) regarding any disposition of the Premises.

4. Leasing Arrangements. Seller will not amend, terminate or enter into any Lease without Buyer's prior written consent in such instance, which consent shall not be unreasonably withheld, delayed or conditioned.

5. Removal and Replacement of Tangible Personal Property. Seller will not remove any Tangible Personal Property except as may be required for necessary repair or replacement, and replacement shall be of equal quality and quantity as existed as of the time of its removal.

B. Damage. Risk of loss up to and including the Closing Date shall be borne by Seller. In the event of any material damage to or destruction of the Premises or any portion thereof, Buyer may, at its option, by notice to Seller given within ten (10) days after Seller notifies Buyer of such damage or destruction (and, if necessary, the Closing Date shall be extended to give Buyer the full 10-day period to make such election): (i) terminate this Agreement and the Deposit shall be immediately returned to Buyer, or (ii) proceed under this Agreement, receive any insurance proceeds for property repair and replacement (including any rent loss insurance applicable to any period on and after the Closing Date) due Seller as a result of such damage or destruction and assume responsibility for such repair, and Buyer shall receive a credit at Closing for any deductible, uninsured or coinsured amount under said insurance policies. If Buyer elects (ii) above, Buyer may extend the closing Date for up to an additional 30-day period in which to obtain insurance settlement

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agreements under Seller's insurers, and Seller will cooperate with Buyer in obtaining the insurance proceeds and such agreements from Seller's insurers. If the Premises is not materially damaged, then Buyer shall not have the right to terminate this Agreement, but Seller shall, at its cost, repair the damage before the Closing in a manner reasonably satisfactory to Buyer or, if repairs cannot be completed before Closing, credit Buyer at Closing for the reasonable cost to complete the repair. "Material damage" and "Materially damaged" means damage (i) reasonably exceeding two (2%) percent of the purchase price to repair, (ii) that entitles a tenant to terminate its Lease, or (iii) which, in Buyer's reasonable estimation, will take longer than ninety (90) days to repair.

C. Condemnation. In the event any proceedings in eminent domain are contemplated, threatened or instituted by any body having the power of eminent domain with respect to the Premises or any portion thereof, Buyer may, at its option, by notice to Seller given within ten (10) business days after Seller notifies Buyer of such proceedings (and, if necessary, the Closing Date shall be extended to give Buyer the full 10-business day period to make such election): (i) terminate this Agreement and all deposit money shall be immediately returned to Buyer, or (ii) proceed under this Agreement, in which event Seller shall, at Closing, assign to Buyer its entire right, title and interest in and to any condemnation award, and Buyer shall have the sole right during the pendency of this Agreement to negotiate and otherwise deal with the condemning authority in respect of such matter.

10. REAL ESTATE TAXES AND ASSESSMENTS.

A. Real Estate Taxes. Real estate taxes and assessments shall be apportioned between the parties as of the date of Closing on a calendar or fiscal year basis, as may be appropriate. All water, sewer, refuse and all other utility charges, and/or lienable charges or assessments shall be paid by Seller up to the time of Closing. Interest and penalties, if any, shall be computed to a date occurring one (1) business day after the Closing Date.

B. Rent. Buyer shall receive a credit for any rent and other income (and any applicable state or local tax on rent) under Leases collected by Seller before Closing that applies to any period after Closing. Uncollected rents and other uncollected income shall not be prorated at Closing. After Closing, Buyer shall apply all rent and income collected by Buyer from a tenant, unless the tenant properly identifies the payment as being for a specific item, first to such tenant's monthly rental for the month in which the Closing occurred and then to arrearages in the reverse order in which they were due, promptly remitting to Seller, after deducting collection costs, any rent properly allocable to Seller's period of ownership. Buyer shall bill and attempt to collect such rent arrearage in the ordinary course of business, but shall not be obligated to engage a collection agency or take legal action to collect any rent arrearage. Seller shall have the right to seek collection of any rents or other required income due applicable to any period before the Closing, upon notice to Buyer, if Seller has not received same, upon sixty (60) days after Closing. Any rent or other income received by Seller after Closing which is owed to Buyer shall be held in trust and remitted to Buyer promptly after receipt. This sub-section B. shall survive the Closing.

C. Additional Rent. Seller, as landlord under the Leases, is currently collecting from tenants under the Leases additional rent to cover taxes, insurance, utilities, maintenance and other operating costs and expenses (collectively, "Operating Expenses Pass-Throughs") incurred by Seller in connection with the ownership, operation, maintenance, and management of the Premises. If Seller collected estimated prepayments of Operating Expense Pass-Throughs in excess of any tenant's share of such expenses, then, if the excess can be determined by the Closing, Buyer shall receive a credit for the excess or, if the excess cannot be determined at Closing, Buyer shall receive a credit based upon an estimate, and the parties shall make an adjusting payment between them when the correct amount can be determined. In either event, Buyer shall be responsible for crediting or repaying those amounts to the appropriate tenants. If Seller collected estimated prepayments of Operating Expense Pass-Throughs attributable to any period after Closing, Seller shall pay or credit any such amounts to Buyer at Closing. To the extent that estimated payments of Operating Expense Pass-Throughs are required to be paid monthly by any tenant, and at the end of such tenant's lease year, or the calendar year, such estimated amounts are to be recalculated based upon actual amounts for that lease year or calendar year, with the appropriate adjustments being made with such tenants' then-Operating Expense Pass-Throughs for such tenant shall be finally prorated between Seller and Buyer at the time of such reconciliation with the tenant, using the Date of Closing as the proration date. At the time(s) of final calculation and collection from (or refund to) each tenant of the amounts in reconciliation of actual Operating Expense pass-Throughs for such period which have been collected, there shall be a re-proration between Seller and Buyer, taking into account the additional

amount collected from (or refunded to) each tenant. In furtherance of the foregoing, if, with respect to any tenant, the recalculated Operating Expense Pass-Throughs is less than the estimated amount paid by such tenant, and a refund is paid by Buyer to such tenant, then the portion of the refund allocable to the period prior to the Closing, to the extent previously paid to or collected by Seller, shall be refunded by Seller to Buyer. If, with respect to any tenant, the recalculated Operating Expense Pass-Throughs exceeds the estimated amount paid by such tenant, and the shortfall is collected by Buyer from such tenant, the portion of such shortfall allocable to the period prior to the Closing, to the extent not previously paid to or collected by Seller, shall be paid by Buyer to Seller. Notwithstanding the foregoing, there shall, however, be an initial proration at Closing with regard to all Operating Expense Pass-Throughs. The Seller shall provide Buyer no later than ten (10) days before the Closing Date with invoices, purchase orders and other documentation sufficient to establish Operating Expense Pass-Throughs for the Property

incurred by Seller prior and up to the Closing Date, together with evidence of all amounts collected by tenants as of the Closing Date for such Operating Expense Pass-Throughs, so that Buyer can complete the year-end reconciliation billings to Tenants for Operating Expense Pass-Throughs.

D. Service Contracts. Seller or Buyer, as the case may be, shall receive a credit for regular charges under Service Contracts assumed by Buyer pursuant to this Agreement paid and applicable to Buyer's period of ownership or payable and applicable to Seller's period of ownership, respectively. (It is noted that other than the contract for landscaping services, which runs the end of the calendar year, and the pest control contract, which runs on an annual term, the current term

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expiring October 16, 2002, all service contracts are terminable upon thirty (30) days notice, except the security contract which is terminable upon ninety (90) days notice.)

E. Leasing Commissions. Leasing commissions for which Seller has paid in advance shall not be apportioned, nor shall Seller receive a credit therefor. However, there are two (2) leasing commission agreements, which are paid annually, to wit: Subway Real Estate Corp. and Holiday Hair, Inc., which commission obligation shall be prorated as of Closing. (Buyer shall be responsible for all further leasing commissions that are billed annually.) Buyer shall furthermore have any and all responsibilities for any leasing commissions due for any and all periods after the Closing Date, to include, with respect to any option to renew or expand not yet exercised by the respective tenant as of Closing. Buyer shall pay all leasing commissions with respect to any new lease or lease amendment executed after the date of this Agreement, provided that Buyer shall pre-approve in writing such new lease or lease amendment and the amount of such commission.

F. Tenant Deposits. All tenant security deposits (and interest thereon if required by law or contract to be earned thereon) shall be transferred or credited to Buyer at Closing. As of the closing, Buyer shall assume Seller's obligations related to tenant security deposits, but only to the extent they are properly credited and transferred to Buyer.

11. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller does represent and warrant to Buyer and will reaffirm at the time of Closing, to wit:

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a) Seller has not received notice of condemnation of all or any part of the Premises, notice of any assessment for public improvements, or notices with respect to any zoning ordinance or other law, order, regulation or requirement relating to the use of ownership of the Premises and, so far as known to Seller, there is no violation of any such governmental law, order, regulation or requirement.

b) Seller is not indebted to the federal government or any other public authorities for delinquent taxes, assessment or other charges of any nature whatsoever for which a lien has been or could be asserted against the Seller or the Premises and which will not be fully paid and discharged or released upon or prior to Closing.

c) Seller covenants and agrees that Seller, Seller's agents, servants, employees or tenants, if applicable, shall not in any way materially alter the present state of the Premises so long as this Agreement is in effect.

d) Seller has no knowledge, actual or constructive, that there has been a storage or deposit of hazardous substance on the Premises. Hazardous substances being any such substance as regulated or controlled as a hazardous or toxic substance by any governmental rule, regulation or statute.

e) There are no leases, written or oral, affecting the Premises which Seller is aware of, except for the existing leases, copies of which have all been provided to Buyer. All documents comprising the leases which affect the Premises, including all amendments, modifications, letter agreements, assignments and guaranties thereof or relating thereto have been provided by Seller to

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Buyer. There are no agreements, written or oral, affecting the Premises or any portion thereof in the nature of leases (including ground leases), concessions, licenses or occupancy agreements, or any amendments, modifications, side letters or guaranties thereof, other than the leases. True and correct copies of the leases have been previously delivered to Buyer.

f) Seller has fee simple title to the Premises, has the full right to enter into this Agreement and perform hereunder, and has not granted any option or entered into any other commitment to sell, lease other as hereinbefore permitted or encumber all or any part of the Premises.

g) Seller has full capacity, right, power and authority to execute, deliver and perform this Agreement and execute and deliver all documents to be executed by Seller pursuant hereto, and all required action therefor has or will by Closing be duly taken.

h) To the best of Seller's knowledge the consummation of the transaction contemplated by this Agreement will not result in a breach of any of the terms and conditions of, or constitute a default under, any agreement to which the Seller is now a party or which affects the Premises or violate or cause to be violated any judgment or decree of any court, administrative agency or governmental body.

i) The representations and warranties made hereunder shall be reaffirmed at Settlement and shall survive for a period of one (1) year from the Closing of this transaction and shall not be merged in the deed from Seller to Buyer.

j) All alterations and improvements required to be performed by the landlord under any of the leases has been completed, all construction and other allowances and monetary concessions required to be paid by the landlord under the leases has been paid, and no tenant under any of the leases is entitled to any free rent or rent concession period. All brokerage fees and commissions due for any period through Closing have been in full, excepting only commissions payable annually or with respect to lease renewal, extension or expansions options which have not yet been exercised by any respective tenant.

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k) The Rent Roll attached hereto as Exhibit A is hereby certified by Seller to be true and correct as of the date hereof ("Rent Roll Certificate") and shows for each rentable space in the Premises the tenant name, space number, monthly base or minimum rental, and common area maintenance expense and real estate tax reimbursement amounts, security deposit held, any defaults known by Seller to exist under any lease, the expiration date of each lease and designating any rights to renew or extend a lease. There are no tenant security deposits to be held by the landlord under the leases except as listed in the Rent Roll Certificate. At the Closing, Seller shall deliver to Buyer an updated Rent Roll Certificate. If any adverse change shall occur in such Rent Roll Certificate, Buyer shall have the rights set forth in Section 21.N hereof.

l. Except as expressly set forth on the Rent Roll Certificate, neither Seller as the landlord nor, to Seller's actual knowledge, any tenant under any of the leases is in default under any of the leases, nor to Seller's actual knowledge is there in existence any condition or fact which with notice or passage of time, or both, shall constitute a default by either the landlord or the tenant thereunder. Except as set forth on the Rent Roll Certificate, Seller has not collected base or minimum rent more than one month in advance from any tenant (excluding security deposits). Except as expressly provided in the leases, no tenant shall be entitled to any rebates, rent concessions or free rent. No tenant is presently contesting or raising objection to Operating Expense Pass-Throughs payable under its lease. All tenants are currently in possession and operating and no tenant has given notice that it intends to cease the conduct of business or vacate its premises prior to the expiration of its lease term.

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m) Except for lawsuits concerning personal injury and property damage which would be covered under Seller's existing commercial liability insurance policy and defense of which has not been denied by Seller's insurance company, there is no litigation or proceedings pending or, to Seller's knowledge, threatened against, Seller or otherwise related to the Property (including, but not limited to foreclosure, judicial sale, adverse possession, litigations with tenants or other proceedings.

n) Exhibit "C " attached hereto is a true, complete and

correct list of all written and oral management, service, equipment, supply, maintenance or concession agreements with respect to or affecting the Premises (the "Service Contracts"). Except as specified on Exhibit "C", no such agreements exist which are not cancelable upon thirty (30) days notice. Each of the Service Contracts is in full force and effect and all amounts due thereunder have been paid in full. Neither Seller nor its agents have received any notice from any party to said agreements claiming the existence of any default or breach thereunder.

o) There are no pending certiorari proceedings or other real estate tax contests or appeals brought by or on behalf of Seller. To Seller's knowledge, the improvements on the Premises are currently fully assessed for tax purposes as completed and occupied improvements and are not currently subject to any tax abatement, exemption or temporary tax reduction of any kind, nor to any assessments/linkage/impact fees relating to the initial construction of the project.

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p) EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN ANY DOCUMENT EXECUTED PURSUANT TO OR IN CONNECTION WITH THIS AGREEMENT, THIS SALE AND CONVEYANCE IS MADE ON AN AS-IS WHERE-IS BASIS AND SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PREMISES, THE STATE OF REPAIR OF THE PREMISES, OR WITH RESPECT TO SOIL CONDITIONS OR THE PRESENCE OR RELEASE OF HAZARDOUS MATERIALS. THIS DISCLAIMER DOES NOT EFFECT AN ASSUMPTION OF ANY LIABILITY BY BUYER AND IT SHALL NOT BE CONSTRUED TO WAIVE ANY RIGHTS OF CONTRIBUTION OR INDEMNITY OR OTHERWISE AFFECT THE LIABILITIES OF THE PARTIES TO EACH OTHER OR TO THIRD PARTIES UNDER ENVIRONMENTAL LAWS.

12. CLOSING AND DELIVERY OF DEED. Closing shall be held thirty (30) days after completion of the Due Diligence Period, as hereinbefore provided. Closing shall take place by use of an escrow procedure reasonably acceptable to Seller and Buyer and using the Title Company as escrow agent (with all proceeds being wired through the national office of a national title company such as First American Title, Commonwealth Title Insurance Company, Chicago Title Insurance Company or the like) or at the offices of Seller's attorney, unless a different location is approved in writing by the parties. At Closing, Seller shall convey to Buyer good and marketable title to the Premises in the state required under Section 3 hereof by a recordable and transferable special warranty deed. Buyer shall pay one-half (1/2) of the total Pennsylvania realty transfer tax obligation, and shall furthermore contribute Thirty-Three Thousand Three Hundred and Thirty-Three (\$33,333.00) Dollars toward the balance of said obligation of Seller. In addition to the deed, Seller

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shall execute and deliver to Buyer at the Closing (i) a general instrument of transfer, including a bill of sale and assignment and assumption of leases, in the form attached as Exhibit "D" hereto, (ii) a FIRPTA Certificate, (iii) an updated Rent Roll Certificate, certified by Seller as being true and correct as of the Closing Date, (iv) an updated schedule of leases, certified by Seller as being true and correct as of the Closing Date, (v) a certificate of Seller, certifying as of Closing Date the continued truth without material change (or identifying any changes therefrom which may not be reflected on the updated Rent Roll Certificate or updated schedule of leases) of all of the representations and warranties of Seller set forth in Section 10 hereof, (vi) the estoppel certificates required under Section 7 hereof, (vii) notices to each tenant advising them of the sale and directing them as to where all future payments of rent and notices should be sent, in form as required by the Buyer (which shall not be sent until after completion of the Closing), (viii) an "information for 1099 form", sufficient in order for the Buyer to report the sale to the Internal Revenue Service, (ix) an affidavit of title in form required by Buyer's title insurance company in order to insure title required to be delivered under Section 3 hereof, and without exception for potential mechanic's lien claims, (x) such other instruments and documents as may be reasonably required by Buyer's title company in order to establish Seller's due existence and good standing and authority to complete the transaction contemplated by this Agreement, (xi) originals (to the extent within Seller's possession or control) of each of the Property Information, current as of the Closing Date (in particular, but without limitation, originals of all leases) and (xii) such other instruments or documents as may be otherwise referred to in this Agreement or which may be reasonably required in order to complete the transactions contemplated in this Agreement. Seller shall deliver full and exclusive possession of the Property to Buyer on the Closing Date, subject only to rights of tenants under the leases, as tenants only.

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13. BROKER/SELLER'S AGENT. It is understood that Seller shall be responsible for a real estate commission to Cassidy & Pinkard, and shall save Buyer harmless for liability therefor. Each party represents to the other that they have not dealt with any other broker on this transaction and will save harmless and indemnify the other for any claims for real estate commissions or other fees brought by any broker or other person claiming to have dealt with such party.

14. GOVERNING LAW. This Agreement shall be construed and governed pursuant to the laws of the Commonwealth of Pennsylvania.

15. SELLER'S DEFAULT. If there shall occur a material breach of a representation or warranty of Seller under this Agreement, or if Seller shall otherwise fail to perform its obligations as required under this Agreement, then Buyer may elect to (i) accept title to the Premises subject to the defaulted obligation of Seller, (ii) terminate this Agreement, in which event the Escrow Agent shall disburse the Deposit to Buyer and Seller shall reimburse Buyer for all costs incurred in Buyer's performance of due diligence with a limit of Twenty-Five Thousand (\$25,000.00) Dollars, or (iii) bring an action against Seller for specific performance of this Agreement, and Buyer shall have the right to recover from Seller in such action its reasonable attorneys' fees and disbursements incurred in connection therewith. In the event Seller's default is a Willful Default (as hereinafter defined), Seller shall reimburse Buyer for all reasonable costs incurred in Buyer's performance of due diligence, plus the sum of One Hundred Thousand (\$100,000.00) Dollars. The term "Willful Default" as used in this Agreement shall mean an intentional failure of Seller to observe or perform a material covenant or condition of this Agreement, the observance or performance of which is

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strictly within Seller's reasonable control (by way of example, but not way of limitation, the intentional refusal of Seller to convey title or the creation by Seller of the imposition of additional substantial liens on the Premises prior to Closing which Seller will not discharge at Closing shall be considered Seller's "Willful Default"). A general partnership, Double M Development, of which Mark G. Caldwell, is a general partner, and an affiliate entity owned by Mark G. Caldwell, Caldwell Development, Inc., have also entered into sales agreements, contemporaneously herewith, with Buyer for properties identified as Fairview Plaza (Double M Development) and Newport Plaza (Caldwell Development, Inc.). It is agreed that, if a default has occurred by Seller in any of these agreements, the same shall be deemed a default hereunder.

16. BUYER'S DEFAULT. If this transaction fails to close due to the default of Buyer, then Seller's sole remedy in such event shall be to terminate this Agreement and to retain the deposits as liquidated damages, Seller waiving all other rights or remedies in the event of such default by Buyer. The parties acknowledge that Seller's actual damages in the event of a default by Buyer under this Agreement will be difficult to ascertain, and that such liquidated damages represent the parties' best estimate of such damages. Buyer shall have no other remedies other than as specifically stated. Buyer has also entered into sales agreements, contemporaneously herewith, with a general partnership, Double M Development, of which Seller is a general partner, and with an affiliate entity owned by Seller, Caldwell Development, Inc., for properties commonly identified as Fairview Plaza and Newport Plaza and a default by Buyer in any of these agreements shall constitute a default hereunder.

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17. ATTORNEYS' FEES. The unsuccessful party in any litigation arising from breach or alleged breach of this Agreement will reimburse the successful party for any and all reasonable legal fees incurred in curing or attempting to cure a default.

18. AMENDMENT. This Agreement shall not be altered, amended, changed or modified except in writing by the parties hereto.

19. NOTICES. All notices required to be given by any of the provisions of this Agreement, unless otherwise stated, shall be in writing and delivered in person, by facsimile (with a copy concurrently sent out the same day by nationally recognized overnight delivery service), by certified mail, return

receipt requested or by nationally recognized overnight delivery service, postage or shipping charges prepaid (or on standing account) to the appropriate party at the address set forth below or to such other address as such parties may hereafter specify by notice given in accordance with this section. All notices to be set forth below.

a) To the Seller:
Caldwell Development, Inc.
Attn: Mark G. Caldwell, President
434 North Front Street
Wormleysburg, PA 17043

With a copy to:

James R. Clippinger, Esquire
Caldwell & Kearns
3631 North Front Street
Harrisburg, PA 17110

b) To the Buyer:

Cedar Income Fund Partnership, L.P.
44 South Bayles Avenue
Port Washington, NY 11050
Attn: Leo S. Ullman, President

With a copy to:

Warren S. Sacks, P.C.
777 Westchester Avenue, Suite 204
White Plains, NY 10604

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Notices shall be deemed given on the date received, or if delivery is refused, on the date delivery is first attempted, provided however that notices by facsimile shall be deemed given on the date transmitted at or before 5:00 P.M., provided a copy is sent out the same day by nationally recognized overnight delivery service.

20. EXTENSION OF CLOSING DATE. Buyer may unilaterally extend the time for Closing for a period up to thirty (30) days, provided Buyer provides Seller written notice specifying the reason for extension of Closing no later than ten (10) days prior to the date previously scheduled, and provided payments to Seller are made of Two Thousand Five Hundred (\$2,500.00) Dollars per day for each additional day required for extension. It is understood that all such payment(s) shall be earned upon receipt and added to the purchase price.

21. MISCELLANEOUS

A. Parties Bound. Neither party may assign this Agreement without the prior written consent of the other, and any such prohibited assignment shall be void; provided, however, that Buyer and/or Seller may assign this Agreement without Seller's consent to an affiliate or to effect an exchange pursuant to Paragraph 21.L herein. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties. For the purposes of this Paragraph, the term "affiliate" means (i) an entity that directly or indirectly controls, is controlled by or is under common control with the Buyer or of which Buyer or its affiliated entity is the general partner or managing member, or (ii) an entity at least a majority of whose economic interest is owned by Buyer; and the term "control" means the power to direct the management of such entity through voting rights, ownership or contractual obligations.

B. Paragraph Headings. All references to paragraph headings are for convenience only and shall neither limit nor expand any of the written terms of this Agreement.

C. Time is of the Essence. Time is of the essence with regard to the respective duties and obligations of the parties hereto.

D. Survival. The provisions of this Agreement that contemplate performance after the Closing and the obligations of the parties not fully performed at the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments at Closing.

E. No Third Party Beneficiary. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third party beneficiary, decree or otherwise.

F. Complete Agreement. This Agreement contains the entire and binding agreement between Seller and Buyer. There are no other terms, obligations,

covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever concerning this sale.

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G. Confidentiality. Seller shall make no public announcement or disclosure of any information related to this Agreement to outside brokers or third parties, before or after the Closing, without the prior written specific consent of Buyer; provided, however, that Seller may make disclosure of this Agreement to its lenders, creditors, officers, employees and agents to perform its obligations hereunder.

H. Consents. Any consents required to be obtained in accord with this Agreement shall not be unreasonably withheld, conditioned or delayed.

I. Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and agree that the normal rule of construction, to the effect that any ambiguities are to be resolved against the drafting party, shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

J. Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included at, unless such last day is a Saturday, Sunday or legal holiday for national banks, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The last day of any period of time described herein shall be deemed to end at 5:00 p.m. daylight savings time.

K. Execution in Counterparts. This Agreement 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 Agreement, the parties may execute and exchange by telephone facsimile counterparts of the signature pages.

L. Section 1031 Exchange. Both Buyer and Seller shall have the right to consummate this transaction as part of a so-called like kind exchange (the, "Exchange") pursuant to ss.1031 of the Internal Revenue Code of 1986, as amended (the, "Code"), provided that: (i) the Closing shall not be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to either party's obligation under this Agreement, (ii) the party engaging in the Exchange shall effect the Exchange through an

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assignment of this Agreement, or its rights under this Agreement, to a qualified intermediary; (iii) neither party shall be required to take an assignment of the purchase agreement for the relinquished property or be required to acquire or hold title to any real property for purposes of consummating the Exchange; (iv) the party engaging in the Exchange shall pay any additional costs that would not otherwise have been incurred by the other had the transaction not been consummated through the Exchange. Neither party shall by this agreement or acquiescence to the Exchange: (a) have their rights under this Agreement affected or diminished in any manner, or (b) be responsible for compliance with or be deemed to have warranted to the other that the Exchange in fact complies with ss.1031 of the Code.

M. Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by either party at Closing, each party agrees to perform, execute and deliver, but without any obligation to incur any additional liability or expense, on or after Closing, any further deliveries and assurances as may be reasonably necessary to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Premises to Buyer.

N. Changed Circumstances. If any event shall occur after the Commencement Date, and before the Closing Date, which is not caused by Seller ("Changed Circumstances"), that renders untrue any representation or warranty made by Seller in this Agreement, it shall not constitute a breach by Seller of such representation or warranty, and Seller's reaffirmation of such representation or warranty at Closing may be qualified by such Changed Circumstance. If Seller shall obtain knowledge of any Changed Circumstance, Seller shall provide notice thereof to Buyer within a reasonable period of time. In the event Buyer receives actual notice of any Material Changed

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Circumstance, whether from Seller or any other source, including its own investigations, then Buyer shall have the right to terminate this Agreement, in which event both parties shall be relieved from any further obligation under this Agreement, and the Deposit shall be returned to Buyer. For purposes of this Agreement, a "Material" Changed Circumstance shall be one that (when taken together with all other Changed Circumstances) would be reasonably expected to decrease the annual net operating income of the Property by more than one and one-half of one percent or would otherwise reasonably be considered material by a Buyer of similar properties.

IN WITNESS WHEREOF, the parties, representing to each other that the authorized representative of the party executing on behalf of each party is duly authorized and has the ability to so execute the document on behalf of that party, have caused this Agreement to be executed as of the day and year first above written.

BUYER:

ATTEST:

CEDAR INCOME FUND PARTNERSHIP, L.P.

By: _____

Title: _____

SELLER:

ATTEST:

MARK G. CALDWELL t/d/b/a
CALDWELL DEVELOPMENT COMPANY

By: _____

Mark G. Caldwell

Escrow Agent hereby acknowledges receipt of The First Deposit and agrees to hold and disburse The Deposit in accordance with all of the terms and conditions of the foregoing Agreement.

ESCROW AGENT

By: _____

FIRST ADDENDUM TO AGREEMENT OF SALE

This FIRST ADDENDUM is to that certain Agreement for the Sale of Real Estate (hereinafter, "Agreement") executed contemporaneously herewith with regard to improved real estate identified in said Agreement as the Halifax Plaza.

1. It is further agreed between the parties that Paragraph No. 6, "Seller's Limited Right to Withdraw" is further modified to provide that Buyer shall not commence any due diligence expenses for which it would seek reimbursement until such time that it receives written notice to so proceed from Seller, which shall not be later than one hundred and eighty (180) days from the date of this Agreement, whereupon Buyer shall have the full due diligence period as provided in Paragraph No. 5 of the Agreement.

IN WITNESS WHEREOF, the parties, representing to each other that the authorized representative of the party executing on behalf of each party is duly authorized and has the ability to so execute the document on behalf of that party, have caused this Agreement to be executed as of the day and year first above written.

BUYER:

CEDAR INCOME FUND PARTNERSHIP, L.P.

ATTEST:

By: _____

Title: _____

SELLER:

MARK G. CALDWELL t/d/b/a
CALDWELL DEVELOPMENT COMPANY

ATTEST:

By: _____

Mark G. Caldwell

LIMITED PARTNERSHIP AGREEMENT

OF

HALIFAX PLAZA ASSOCIATES, LP

Property: Halifax Plaza, Halifax, Pennsylvania

LIMITED PARTNERSHIP AGREEMENT OF
Halifax PLAZA ASSOCIATES, LP

This Limited Partnership Agreement (this "Agreement") is entered into as of January 7, 2003, between CIF-Halifax Plaza ASSOCIATES, LLC, a Delaware limited liability company (the "Developer Partner"), and FAIRPORT ASSOCIATES, L.P., a Delaware limited partnership (the "Limited Partner").

ARTICLE 1

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Act" means the Delaware Revised Uniform Limited Partnership Act, as it may be amended from time to time.

"Additional Capital Contribution" has the meaning assigned to such term in Section 6.2.

"Adjusted Capital Account Deficit" means, with respect to any Partner for any taxable year or other period, the deficit balance, if any, in such Partner's Capital Account as of the end of such year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Partner is obligated to restore or is deemed obligated to restore as described in the penultimate sentence of Regulation Section 1.704-2(g)(1) and in Regulation Section 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

"Affiliate" means, with respect to a Person, another Person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Person in question. The term "control" as used in the preceding sentence means, with respect to a Person that is a corporation, the right to exercise, directly or indirectly, more than 5% of the voting rights attributable to the shares of the controlled corporation, and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled Person.

"Approved Loans" shall mean loans made to the Partnership which are approved in writing by the Limited Partner. The Mortgage Loan shall be an Approved Loan.

"Bankruptcy" means, with respect to a Person, the occurrence of (1) an assignment by the Person for the benefit of creditors; (2) the filing by the Person of a voluntary petition in bankruptcy; (3) the entry of a judgment by any court that the Person is bankrupt or insolvent, or the entry against the Person of an order for relief in any bankruptcy or insolvency proceeding; (4) the filing of a petition or answer by the Person seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (5) the filing by the Person of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding for reorganization or of a similar nature; (6) the consent or acquiescence of the Person to the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties; or (7) any other event which would cause the Person to cease to be a Partner of a limited partnership under Section 18-304 of the Act.

"Business Day" means any day other than Saturday, Sunday, or other day on which commercial banks in New York are authorized or required to close under the laws of the State of New York.

"Capital Account" shall have the meaning set forth in Section 9.1.

"Capital Contribution" means, with respect to each Partner, the amount of (a) cash and the initial Gross Asset Value of any property (net of liabilities assumed by the Partnership resulting from such contribution and liabilities to which the property is subject) contributed to the Partnership by that Partner plus (b) with the Limited Partner's written consent, the amount of such Partner's payments made to creditors of the Partnership after the date hereof with respect to Partnership obligations (until such amount is reimbursed to such Partner).

"Capital Proceeds" means funds of the Partnership arising from a Capital Transaction, less (a) the actual costs incurred by the Partnership with third parties in consummating the Capital Transaction, (b) the amount of any Approved Loan repaid from such funds, and (c) reserves approved by the Partners in amounts reasonably estimated to be required to pay Partnership or expenses.

"Capital Transaction" means the sale, financing, refinancing or similar transaction of or involving any part or all of the Project Interests (including condemnation awards, payment of title insurance proceeds or casualty loss insurance proceeds [other than business interruption or rental loss insurance proceeds], to the extent such awards and proceeds are not applied to mortgage indebtedness and not used to repair damage caused by a casualty or taking or in alleviation of any title defect).

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"Certificate" shall mean a certificate of limited partnership dated December 16, 2002 filed pursuant to the Act forming the Partnership.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any corresponding provisions of succeeding law.

"Depreciation" means, for each taxable year or other period, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for the year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of the year or other period, Depreciation will be an amount which bears the same ratio to the beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for the year or other period bears to the beginning adjusted tax basis, provided that if the federal income tax depreciation, amortization, or other cost recovery deduction for the year or other period is zero, Depreciation will be determined with reference to the beginning Gross Asset Value using any reasonable method selected by the General Partner, subject to the Limited Partner's approval. Notwithstanding the foregoing of this definition, if the Company has adopted the "remedial allocation method" described in Section 1.704-3(d) of the Regulations with respect to any asset, Depreciation for such asset shall be determined in accordance with Section 1.704-3(d)(2) of the Regulations, rather than in accordance with the preceding sentence.

"Fairport Partnership Agreement" shall mean the Partnership Agreement of Fairport Associates, L.P. dated as of January 8, 2003 between Kimco Preferred Investor III, Inc. and CIF-Fairport Associates, LLC, as the same may hereafter be amended or restated.

"GAAP" means generally accepted accounting principles, consistently applied.

"General Partner" means the Partner designated as a General Partner in accordance with this Agreement, until such Person ceases to be the General Partner.

"Gross Asset Value" has the meaning assigned to it in Section 9.2.

"Lease Parameters" shall mean the lease parameters that the Developer Partner and the Limited Partner agree upon from time to time in writing.

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"Major Decision" has the meaning assigned to such term in Section 4.1(b).

"Management Agreement" has the meaning assigned to such term in Section 4.8.

"Mortgage" has the meaning assigned to such term in Section 14.2.

"Mortgage Loan" shall mean the mortgage loan in the sum of \$4,265,000 to be made by Citizen's Bank of Pennsylvania to the Partnership pursuant to a Loan Agreement to be entered into between the Partnership and Citizen's Bank of Pennsylvania.

"Net Cash Flow" for any period means Net Operating Income for such period less debt service on Approved Loans actually paid during such period.

"Net Operating Income" for any period means the amount by which Operating Revenues for such period exceed Operating Expenses for such period.

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a given period equals the excess, if any, of the net increase, if any, in the amount of Partnership Minimum Gain during such period, over the aggregate amount of any distributions during such period of proceeds of a Nonrecourse Liability that are allocable to an increase in Partnership Minimum Gain, determined according to the provisions of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.704-2(b)(3).

"Operating Budget" means the annual budget, prepared by the General Partner and submitted in writing to, and approved by, the Limited Partner, and setting forth the estimated capital and operating expenses of the Partnership for the then current or immediately succeeding calendar year and for each month and each calendar quarter of such calendar year, in such detail as the Limited Partner shall reasonably require.

"Operating Expenses" means, for any period, amounts actually paid by the Partnership for such period (calculated on a cash basis), for operating expenses of the Project, for capital expenditures not paid from the Partners' Capital Contributions, for indemnification obligations incurred under Section 4.9 and for reserves actually funded and approved by the Limited Partner (or permitted under the current Operating Budget). Operating Expenses shall not include debt service on Approved Loans, and any non-cash expenses such as depreciation or amortization.

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"Operating Revenues" means, for any period, the gross receipts of the Partnership (calculated on a cash basis) arising from the ownership and operation of the Project during such period, including proceeds of any business interruption insurance maintained by the Partnership from time to time, but specifically excluding Capital Proceeds and Capital Contributions.

"Partner Nonrecourse Debt" means "partner nonrecourse debt" as defined in Regulations Sections 1.704-2(b)(4).

"Partner Nonrecourse Debt Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"Partner Nonrecourse Deductions" means "partnership nonrecourse deductions" as defined in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"Partners" means the Limited Partner, the Developer Partner, and each Person hereafter admitted as a Partner in the Partnership in accordance with this Agreement, until such Person ceases to be a Partner of the Partnership.

"Partnership" means Halifax Plaza Associates, LP, a Delaware limited partnership, or any successor thereto.

"Partnership Interests" means all of the rights and interests of whatsoever nature of the Partners in the Partnership, including without limitation the right to participate in management to the extent herein expressly provided, to receive distributions of funds, and to receive allocations of income, gain, loss, deduction, and credit.

"Partnership Minimum Gain" means "partnership minimum gain" as defined in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Person" means an individual or entity.

"Profits" and "Losses" mean, for each taxable year or other period, an amount equal to the taxable income or loss of the Partnership for the year or other period, determined in accordance with Section 703(a) of the Code (including all items of income, gain, loss or deduction required to be stated separately under Section 703(a)(1) of the Code), with the following adjustments:

1. Any income that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses will be added to taxable income or loss;

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2. Any expenditures described in Code Section 705(a)(2)(B) or treated as Section 705(a)(2)(B) expenditures under Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses, will be subtracted from taxable income or loss;

3. Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Gross Asset Value of the property, notwithstanding that the adjusted tax basis of the property differs from its Gross Asset Value;

4. In lieu of depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there will be taken into account Depreciation for the taxable year or other period;

5. Any items which are specially allocated under Section 9.3(c), 9.3(d), or 9.3(e) will not affect calculations of Profits or Losses; and

6. If the Gross Asset Value of any Partnership asset is adjusted under Section 9.2(b) or 9.2(c), the adjustment will be taken into account as gain or loss from disposition of the asset for purposes of computing Profits or Losses.

"Project" means the land and the improvements located thereon known as Halifax Plaza, located in Halifax, Pennsylvania, consisting of approximately 8.528 acres with a shopping center constructed thereon.

"Regulations" means the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Regulations shall include any corresponding provisions of succeeding, similar, substitute proposed or final Regulations.

"Regulatory Allocations" has the meaning assigned to it in Section 9.4(d).

"Removal Event" has the meaning assigned to such term in Section 4.4.

"Sharing Ratios" means the percentages in which the Partners participate in, and bear, certain Partnership items specified in this Agreement. The initial Capital Sharing Ratios of the Partners are as follows:

Developer Partner 1%
Limited Partner 99%

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"Transfer" means, with respect to a particular property, right or interest, the assignment, sale, transfer, pledge, disposition, hypothecation, mortgage, pledge or the grant of a lien or security interest in such right or interest (or any part thereof), whether voluntarily, involuntarily or by operation of law, and whether for consideration or no consideration.

ARTICLE 2

ORGANIZATIONAL MATTERS; PURPOSE; TERM

Section 2.1. Formation of Partnership. The Partnership has been organized as a Delaware limited partnership by filing the Certificate under the Act.

Section 2.2. Name. The name of the Partnership shall be Halifax Plaza Associates, LP, and all Partnership business must be conducted in that name or such other name as the General Partner and the Limited Partner approve.

Section 2.3. Registered Office; Registered Agent; Principal Office. The registered office and the registered agent of the Partnership shall be as specified in the Certificate or as designated by the General Partner with the Limited Partner's approval. The principal office of the Partnership shall be at c/o SKR Brentway, 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, or at such other location as the General Partner and the Limited Partner approve.

Section 2.4. Foreign Qualification. Before the Partnership conducts business in any jurisdiction other than Delaware, the General Partner shall cause the Partnership to comply with all requirements necessary to qualify the Partnership as a foreign limited partnership in that jurisdiction. At the request of the General Partner, each Partner shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue, or terminate the Partnership as a foreign limited liability Partnership in all jurisdictions in which the Partnership may conduct business.

Section 2.5. Purpose and Scope; Actions Consistent with Certificate. The purposes and scope of the Partnership's activities are strictly limited to acquiring, maintaining, owning, leasing, and selling the Project; financing the foregoing activities; and performing all other activities reasonably necessary or incidental to the furtherance of such purposes. The Partnership shall not take any action inconsistent with the Certificate and, to the extent of any inconsistencies between this agreement and the provisions of the Certificate, provisions of the Certificate shall control. The Partnership shall conduct its business at all times so as to comply with the requirements of the Certificate. The provisions of this Section 2.5 are subject in all respects to the "special purpose entity" provisions of Article 12. In addition, the Partnership shall at all times conduct its business so as to comply with the provisions of Article 12 of this Agreement, notwithstanding any other provision in this Agreement to the contrary. The Partners acknowledge receipt of the documents evidencing and securing the Mortgage Loan and are aware of provisions in such documents providing for a default upon occurrence of, among other things, certain property transfers and transfers of interests in the Partnership; the incurrence of certain indebtedness; the creation of certain liens; and the liquidation or dissolution of the Partnership or the General Partner, in each case as more particularly set forth in the documents evidencing or securing the Mortgage Loan.

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Section 2.6. Term. The Partnership shall commence on the effective date of the Certificate and shall terminate on May 31, 2037, unless sooner dissolved as herein provided.

ARTICLE 3

PARTNERSHIP; DISPOSITIONS OF INTERESTS

Section 3.1. Partners. The initial Partners of the Partnership are the Limited Partner and the Developer Partner, each of which is admitted to the Partnership as a Partner as of the date hereof.

Section 3.2. Dispositions of Partnership Interests.

(a) General Restriction. No Partner may Transfer all or any portion of its Partnership Interest, except with the consent of the other Partner or as permitted in Sections 3.2(b) or 3.2(c). Any attempted Transfer of all or any portion of a Partnership Interest, other than in strict accordance with this Section 3.2, shall be void. Except as permitted in Sections 3.2(b) or 3.2(c), a Person to whom a Partnership Interest is Transferred may be admitted to the Partnership as a Partner only with the consent of the other Partner, which may be given or withheld in the other Partner's sole and absolute discretion. In connection with any Transfer of a Partnership Interest or any portion thereof, and any admission of an assignee of a Partnership Interest as a Partner, the Partner making such Transfer and the assignee shall furnish the other Partner with such documents regarding the Transfer as the other Partner may reasonably request (in form and substance reasonably satisfactory to the other Partner), including a copy of the Transfer instrument, a ratification by the assignee of this Agreement (if the assignee is to be admitted as a Partner), a legal opinion that the Transfer complies with applicable federal and state securities laws, and a legal opinion that the Transfer will not result in the Partnership's termination under Section 708 of the Code. For purposes hereof, a Transfer shall be deemed to have occurred with respect to a Partner's Partnership Interest upon any Transfer of an interest in that Partner or in any entity which directly or indirectly controls such Partner.

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(b) Permitted Transfers. The Developer Partner may assign all or a portion of its Partnership Interest (direct or indirect) with the consent of Limited Partner, such consent not to be unreasonably withheld, to any Affiliate of the Developer Partner (in which Developer Partner owns at least a 51% interest) or to an Affiliate of Cedar Income Fund Partnership, L.P. (in which Cedar Income Fund Partnership, L.P., directly or indirectly, owns at least a 51% interest) and, at the election of the Developer Partner, upon any assignment that transferee shall be admitted as a Partner. Transfers of

interests in the Developer Partner may also be made (without Limited Partner's consent) to Affiliates of Developer Partner or Cedar Income Fund Partnership, L.P. so long as not more than 49% of such interests, in the aggregate, are Transferred and Limited Partner receives prior written notice thereof. Transfers of interests in Cedar Income Fund Partnership, L.P. may be made at any time without Limited Partner's consent. The Limited Partner may Transfer its interests only with the written consent of Kimco Preferred Investor III, Inc., its successors and assigns.

Section 3.3. Creation of Additional Partnership Interests. Additional Partnership Interests may be created and issued to existing Partners or to other Persons, and such other Persons may be admitted to the Partnership as Partners, with the approval of the General Partner and the Limited Partner, on such terms and conditions as the General Partner and the Limited Partner may determine at the time of admission. The General Partner may reflect the admission of any new Partners or the creation of any new class or group of Partner in an amendment to this Agreement which shall be valid if executed by the General Partner and Limited Partner.

Section 3.4. Resignation; Redemption. A Partner may not resign or withdraw from the Partnership without the consent of the other Partners. A Partnership Interest may not be redeemed or purchased by the Partnership without the written consent of the Limited Partner.

Section 3.5. Information. In addition to the other rights specifically set forth in this Agreement, each Partner is entitled to the following information under the circumstances and conditions set forth in the Act: (a) true and full information regarding the status of the business and financial condition of the Partnership; (b) promptly after becoming available, a copy of the Partnership's federal, state and local income tax returns for each year; (c) a current list of the name and last known business, residence or mailing address of each Partner and General Partner; (d) a copy of this Agreement, the Partnership's certificate of formation, and all amendments to such documents; (e) true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Partner and which each Partner has agreed to contribute in the future, and the date on which each became a Partner; and (f) other information regarding the affairs of the Partnership to which that Partner is entitled pursuant to Section 17-305 of the Act (including all Partnership books and records). Under no circumstances shall any information regarding the Partnership or its business be kept confidential from any Partner.

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Section 3.6. Liability to Third Parties. No Partner shall be liable for the debts, obligations or liabilities of the Partnership.

ARTICLE 4

MANAGEMENT OF PARTNERSHIP

Section 4.1. Management.

(a) General Partner. The Developer Partner shall initially be the sole General Partner. The General Partner shall manage the affairs of the Partnership and make all decisions with regard thereto, except where (1) the Limited Partner's approval is required under this Agreement or (2) the approval of any of the Partners is expressly required by a non-waivable provision of applicable law. The Limited Partner shall have sole authority to enforce any agreement between the Partnership and the Developer Partner (or its Affiliates) and to make all determinations on behalf of the Partnership with respect thereto, which determinations shall be reasonably made.

(b) Actions Requiring Approval of the Limited Partner. Neither the General Partner nor the Partnership may take any action described below (the "Major Decisions") unless it has been approved in writing by the Limited Partner (and any such action taken without Limited Partner's written consent shall be null and void):

(1) Any sale, transfer, exchange, mortgage, financing, hypothecation or encumbrance (except as otherwise provided in this Agreement) of all or any part of the Project, or any lease of the entire Project; however, the General Partner may make incidental sales, exchanges, conveyances, or transfers of Partnership personalty or fixtures in the ordinary course of business if such transaction, together with all other such transactions in the calendar year in question, involves property having a value or sales price of less than \$25,000 in the aggregate. The Partners approve the assumption by the Partnership of the Mortgage Loan and the Partners approve the execution by the Partnership of any document necessary to evidence or secure the obligation of the Partnership to assume, repay and secure the Mortgage Loan. Notwithstanding the foregoing, if the Developer Partner is the General Partner, no sale, transfer or exchange of the Project shall be permitted prior to and

(2) Determination of major accounting policies of the Partnership, including selection of accounting methods and making various decisions regarding treatment and allocation of transactions for federal and state income, franchise or other tax purposes.

(3) Determination of the terms and conditions of all borrowings of the Partnership and the identity of the lender thereof; guaranty the debt of any other Person, or permit the Partnership to incur any debt or other obligations other than Approved Loans or trade payables with respect to the Project. The Limited Partner has approved the Mortgage Loan as a permitted borrowing of the Partnership. Notwithstanding the provisions of Sections 4.1(b)(1), 4.1(b)(3) and 4.1(b)(7), the General Partner may at any time, without the consent of the Limited Partner, cause the Partnership to refinance the Mortgage Loan or any other Approved Loan with an institutional lender on terms no less favorable than those in effect at the time of the refinance, so long as (a) Limited Partner receives notice of such refinancing at least thirty (30) days prior to closing and also receives copies of all loan document drafts prior to closing and (b) such refinancing does not require payment of any prepayment premium, yield maintenance fee or similar fee to the existing lender (which, when considered together with all other terms of such refinancing, would result in overall terms less favorable than those in effect at the time of such refinance).

(4) Making any expenditure or incurring any obligation by or for the Partnership in excess of 120% of the amount set forth therefor on an Operating Budget; however, if emergency repairs to the Project are necessary to avoid imminent danger of injury to the Project or to an individual, the General Partner may cause the Partnership to make such expenditures as may be necessary to alleviate such situation and shall promptly notify the Limited Partner in writing of the event giving rise to such repairs and the actions taken with respect thereto.

(5) Requiring Additional Capital Contributions.

(6) Approval of the execution of any lease of any part or all of the Project, the form of lease agreements, guidelines for minimum rental rates, minimum and maximum length of lease terms, brokerage commissions, credit standing of tenants, and approval of any lease amendments which extend the lease term by more than one year (unless the right to extend is set forth in the lease), reduce the rent or give a tenant additional rights or options; notwithstanding the foregoing, the Partnership shall be permitted (without the consent of Limited Partner) to execute leases and lease amendments that (i) meet the Lease Parameters and (ii) are on a form of lease or lease amendment that has been approved by the Limited Partner. The Partnership may also execute lease amendments without the written consent of the Limited Partner if the lease amendment does not extend the lease term by more than one year.

(7) Approval of property manager, leasing agents, management agreements, construction contracts, and brokerage agreements for the Project; insurance coverages, the underwriters thereof and claims related thereto; zoning changes, reciprocal operating agreements, cross-easement agreements and similar agreements; annual Operating Budgets, including the amount of reserves for capital improvements, replacements and purchases, tenant improvements, and leasing commissions included in such Operating Budget; material modifications of any of the foregoing; and all matters relating to the Project's compliance with environmental, health, access, and other laws, if and to the extent that any of the foregoing agreements or actions to be entered into or taken by the Partnership shall be outside the ordinary course of business of the Partnership (unless approval of a particular matter is required by another express term of this Agreement), although General Partner shall provide Limited Partner with copies of any of the foregoing items before finalizing such items whether or not Limited Partner's approval is required; and provided further that all insurance coverages shall comply with insurance required by any Mortgage Loan and all liability policies shall name Limited Partner as an additional insured.

(8) Using or referencing in any way the name of, or any affiliation with, the Kimco Realty Corporation or any of its Affiliates in any advertising.

(9) Taking of any legal action (including the filing of any bankruptcy or insolvency proceeding by or on behalf of the Partnership), except approval of the Partnership initiating action to collect rentals and other amounts payable to the Partnership under leases and other occupancy agreements affecting the Project and evicting tenants and terminating the leases of tenants who are in default under their leases and defending against tenant

claims and liability claims for which the Partnership maintains insurance (except that the Partnership may not terminate any lease of a tenant who is not in default under its lease without the Limited Partner's written consent).

(10) Filing of any petition or consenting to the filing of any petition that would subject the Partnership to a Bankruptcy.

(11) Entering into any agreement with the Developer Partner or an Affiliate of the Developer Partner.

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(12) Merging or consolidating the Partnership, with or into any Person, or dissolving, terminating or liquidating the Partnership.

(13) Amend or terminate the Certificates.

(14) Permit the Partnership to enter into any leases (or amendments of leases) of the Project or undertake any other activity if the rent from Project leases would (assuming the Limited Partner were the sole owner of the Project) fail to qualify as "rents from real property" (as such term is defined in ss. 856 of the Code) or would subject Limited Partner or Kimco Realty Corporation to taxes under sections 857 or 4981 of the Code. For example, a "percentage rent" or other provision in a lease providing for payment of a portion of rent based on the income or profits of a tenant, unless such clause is based on a fixed percentage or percentages of gross receipts or gross sales, would be prohibited unless consented to by the Limited Partner. (Such a percentage rent clause may be based upon gross receipts or sales in excess of a fixed dollar amount, but only if (i) the fixed dollar amount does not depend in whole or in part on the income or profits of the tenant, and (ii) the percentage and the fixed amount must be fixed at the time the lease is executed and may not be renegotiated during the term of the lease).

(15) Permit the Partnership to approve a sublease of the Project having any percentage rent clauses, other than percentage rent clauses complying with the immediately preceding subparagraph 14.

(16) Engage directly in construction activities without using an independent contractor or independent subcontractors (for example, construction of tenant improvements) without the written consent of the Limited Partner, unless the costs of such construction activities are within the Approved Budget or are otherwise approved by the Limited Partner.

(17) Permit the Partnership to increase, modify, consolidate, prepay, or extend any Approved Loan. Notwithstanding the provisions of Sections 4.1(b)(1), 4.1(b)(3) and 4.1(b)(7), the General Partner may at any time, without the consent of the Limited Partner, cause the Partnership to refinance the Mortgage Loan or any other Approved Loan with an institutional lender on terms no less favorable than those in effect at the time of the refinance, so long as (a) Limited Partner receives notice of such refinancing at least thirty (30) days prior to closing and also receives copies of all loan document drafts prior to closing and (b) such refinancing does not require payment of any prepayment premium, yield maintenance fee or similar fee to the existing lender (which, when considered together with all other terms of such refinancing, would result in overall terms less favorable than those in effect at the time of such refinance).

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(18) Make any loans to the Partnership, any Partner, any Affiliate of a Partner, or any other party.

(19) Cause the Partnership to make any distribution of property in kind to any Partner.

(20) Change the nature of the business conducted by the Partnership.

(21) Take any action inconsistent with the Certificate.

(c) Obligations of the General Partner. The General Partner shall discharge its duties in a good and proper manner as provided for in this Agreement. The General Partner, on behalf of the Partnership, shall in good faith use all reasonable efforts to implement all Major Decisions approved by the Limited Partner, enforce agreements entered into by the Partnership, and conduct the ordinary business and affairs of the Partnership in accordance with good industry practice and this Agreement. The General Partner shall not delegate any of its rights or powers to manage and control the business and affairs of the Partnership without the prior written consent of the Limited Partner.

(d) Operating Budgets. The Partnership shall operate under an annual Operating Budget, draft of which shall be prepared and submitted by the General Partner to the Limited Partner for approval. After a draft annual Operating Budget has been approved, the General Partner shall use diligent good faith efforts to implement the Operating Budget on behalf of the Partnership and may cause the Partnership to incur the expenditures and obligations therein provided. Within 45 days after the date hereof the General Partner shall prepare and submit to the Limited Partner for approval a proposed Operating Budget for the period beginning with the anticipated acquisition date of the Project and ending on December 31, 2003. If an Operating Budget is not approved by the Limited Partner by the acquisition date of the Project, the General Partner may incur commercially reasonable expenses to operate the Project; however, no expenditures shall be made for capital items, to Affiliates of the Developer Partner (other than payment of the Management Fee in accordance with the Property Management Agreement), or in excess of \$10,000 without the approval of the Limited Partner. Thereafter, the General Partner shall deliver to the Limited Partner for approval a proposed Operating Budget for each calendar year by November 1 of the preceding calendar year. Provided that the Limited Partner receives the proposed Operating Budget for each calendar year by November 1 of the preceding calendar year, together with all supporting information necessary for the Limited Partner to review the Operating Budget, the Limited Partner will approve, reject, or provide changes to the Operating Budget by December 15 of the year in which the proposed Operating Budget was submitted to the Limited Partner. If an Operating Budget for any calendar year has not been approved by January 1 of that year, the Partnership shall continue to operate under the Operating Budget for the previous year with such adjustments as may be necessary to reflect deletion of non-recurring expense items set forth on the previous Operating Budget and increased insurance costs, taxes, utility costs, and debt service payments; however, no payments or reimbursements to the Developer Partner or any of its Affiliates (other than payment of the management fee in accordance with the previous Operating Budget and reimbursements to the Property General Partner for out-of-pocket expenses incurred in connection with the Project and in accordance with the previous Operating Budget) nor capital expenditures (other than deposits into the Capital Reserve) shall be made by the Partnership for that year until an Operating Budget for such year is approved, unless the Limited Partner specifically consents thereto in writing. Notwithstanding anything to the contrary set forth in Section 4.1(d), although the General Partner shall be required to submit an annual Operating Budget to the Limited Partner, the General Partner shall only be required to obtain the Limited Partner's consent to or approval of such Operating Budget if required under the definition of "Operating Budget".

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(e) Limited Partner. Whenever this Agreement requires the consent or approval of the Limited Partner or the Partners to a certain matter, the consent or approval of the Limited Partner shall not be effective without the consent of the then general partner of the Limited Partner and of Kimco Preferred Investor III, Inc. (a limited partner of the Limited Partner), its successors and assigns. Whenever the Limited Partner is given the right to take any action pursuant to this Agreement, such action must be approved by Kimco Preferred Investor III, Inc., its successors and assigns.

Section 4.2. Meetings of Partners.

(a) Regular Meetings. The Partners shall hold annual meetings after the General Partner submits an Operating Budget to the Limited Partner for its review, to discuss the Project, and to discuss such other matters regarding Partnership business as the Partners may elect. Any such meeting may be held by phone with the written consent of the Limited Partner.

(b) Special Meetings. Special meetings of the Partners may be called by the General Partner or by the Limited Partner at any time by delivering at least two-business days' prior notice thereof to the other Partner to discuss such matters regarding Partnership business as the Partners may elect. Any such meeting may be held by phone with the written consent of the Limited Partner.

(c) Procedure. Each Partnership meeting shall be held at the principal place of business of the Partnership, unless the Partners otherwise agree. Attendance of a Person at a meeting shall constitute a waiver of notice of such meeting, unless such Person attends the meeting for the purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. A Person may vote at such meeting by written proxy executed by that Person and delivered to a General Partner or Partner. A proxy shall be revocable unless it is stated to be irrevocable. Any action required or permitted to be taken at such meeting may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the General Partner and the Partners that would be necessary to take the action at a meeting at which all Partners were present and voted. Any meeting may take place by means of telephone conference, video conference, or similar communication equipment by

means of which all Persons participating therein can hear each other.

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Section 4.3. Intentionally Omitted.

Section 4.4. Removal of General Partner. The General Partner may be removed by the Limited Partner as provided herein under the following circumstances (each, which is not cured by the Developer Partner within the period set forth herein, a "Removal Event"):

(a) A Transfer in violation of Section 3.2(a) occurs, or Developer Partner (1) commits a criminal act (which has an adverse effect on the Partnership or the Limited Partner), (2) misapplies any funds derived from the Project, including security deposits, insurance proceeds or condemnation awards, which action has an adverse effect on the Partnership or the Limited Partner; (3) commits fraud, misrepresentation, gross negligence or willful misconduct (which has an adverse effect on the Partnership or the Limited Partner); (4) fails to maintain insurance as required by this Agreement or to pay or provide for payment of any taxes or assessments affecting the Project provided that funds are available to the Partnership with which to do so (which has an adverse effect on the Partnership or the Limited Partner); or (5) intentionally damages or destroys the Project, or any part thereof not covered by insurance.

(b) Failure of the Developer Partner to make Additional Capital Contributions so that the outstanding aggregate amount of all unpaid Additional Capital Contributions of the Developer Partner exceed \$50,000.

(c) Bankruptcy of the Partnership.

(d) The liquidation or dissolution of the General Partner.

(e) Bankruptcy of the General Partner (a "Bankruptcy Removal Event").

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(f) The occurrence of a material default by an Affiliate of the Developer Partner under any management or other service contract between the Partnership and an Affiliate of the Developer Partner and the General Partner's failure within thirty (30) days of the giving of notice thereof by the Limited Partner to the Developer Partner to cause such contract to be terminated and replaced with a contract with a non-affiliated third party.

(g) A Major Decision is made or taken without Limited Partner's written consent (and, in the case of Major Decisions specified in clauses (2), (4), (6), (7), (9) or (16) taken without Limited Partner's written consent, there is an adverse effect to either the Partnership or Limited Partner as a result of the action so taken).

(h) The Partnership fails to make a distribution to Limited Partner as and when required pursuant to Sections 8.1 or 8.2.

(i) The material breach by Developer Partner of a covenant set forth in this Agreement, the breach of which is not otherwise specified in this Section 4.4.

(j) Intentionally Omitted.

(k) A Removal Event (as defined in the Fairport Partnership Agreement) shall occur and be continuing.

If Limited Partner shall have reasonably determined that a Removal Event has occurred, Limited Partner shall give written notice thereof to Developer Partner together with a detailed specification of the claimed Removal Event and the circumstances thereof. If such Removal Event shall be reasonably susceptible of cure, Developer Partner shall have the right to cure such Removal Event within the thirty (30) day period following receipt of notice thereof from the Limited Partner. Notwithstanding anything in this paragraph to the contrary, however, (i) no cure rights shall be available with respect to Removal Events specified in Sections 4.4(a)(1), (2), (3) and (5) and Sections 4.4(c), (e) or (k) and (ii) if the notice is given by Preferred Member with respect to a Removal Event specified in Section 4.4(a)(4) or 4.4(h) the cure period shall be 5 business days. If Developer Partner shall fail to cure such Removal Event within such thirty (30) day period, then, subject to the rights of Developer Partner and Limited Partner to cause such matter to be submitted to arbitration, the Limited Partner may remove Developer Partner as the General Partner, in which event (i) the Limited Partner may appoint itself or an Affiliate of the Limited Partner, or a third party, as General Partner. If the Removal Event arises because of an event specified in Sections 4.4(a)(1), (2), (3) or (5), 4.4(g) (which has an adverse effect on the Partnership or Limited Partner), or 4.4(h) of this Agreement or the Fairport Partnership Agreement, the Limited Partner may at any time elect (by written notice to the Developer Partner) to

purchase the Partnership Interest of the Developer Partner for a purchase price equal to the difference between (A) the lesser of (i) an amount which the Developer Partner would receive if the Project were sold for its fair market value (less Imputed Closing Costs), or (ii) the unreturned Capital Contributions of the Developer Partner, less (B) all damages and costs incurred by the Partnership in connection with such Removal Event.

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The fair market value of the Project shall be determined by the Limited Partner and the Developer Partner (or its representative) within 30 days after the Limited Partner elects to purchase such Partnership Interest. If such Persons are unable to agree on the fair market value of the Project, the Limited Partner, by notice to the Developer Partner (or its representative), may require the determination of the fair market value to be made by an independent appraiser specified in that notice. If the Person receiving that notice objects to the independent appraiser designated therein within ten days after it receives such notice and the Limited Partner and such Person fail to agree on an independent appraiser, then either may request that the New York City, New York office of the American Arbitration Association (the "AAA") designate an independent appraiser, in which case the selection of the appraiser by the AAA shall be binding on the parties. The determination of the selected appraiser shall be final and binding on all parties. The Partnership shall pay the cost of the appraisal. The closing of such transaction shall occur within 30 days after the purchase price for the Partnership Interest in question is finally determined.

If Limited Partner desires to remove Developer Partner as the General Partner because a Removal Event (other than a Removal Event specified in Section 4.4(k)) has occurred, then either the Developer Partner or the Limited Partner shall have the right to require (by written notice to the other Partner) that the issue of whether or not a Removal Event has occurred be submitted to binding arbitration. The sole parties to such arbitration shall be the Developer Partner and Limited Partner. The sole issues to be submitted to and determined by such arbitration is whether or not a Removal Event has occurred, or, if a Removal Event has occurred, whether mitigating factors exist sufficient to allow Developer Partner to remain as the General Partner notwithstanding the occurrence of such Removal Event (and in the case of any election by the Limited Partner to purchase the Developer Partner's Partnership Interest (if applicable), whether mitigating factors exist sufficient to deny the Limited Partner the right to exercise such election). The arbitration shall be handled in the following manner:

(i) The matter shall be submitted to binding arbitration in New York City, New York in accordance with the rules of the AAA then in effect, except as otherwise set forth in this Agreement. A single arbitrator (not affiliated with any firm or organization providing services to either party or their Affiliates) shall be selected.

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(ii) Each party shall have the right to take limited discovery, which shall in all event be completed within 60 days of the date arbitration has been requested by either party, unless the other party shall fail to cooperate in the taking of such discovery.

(iii) The matter shall be decided based on briefs and affidavits submitted to the arbitrator, and without any testimony of live witnesses, unless the arbitrator desires in its sole discretion to have a hearing with witnesses.

(iv) The decision of the arbitrator shall be final and non-appealable.

(v) Each party shall pay (x) its own attorneys' fees and costs in submitting the matter to arbitration and (y) 50% of the fees of the arbitrator. The losing party shall reimburse the prevailing party for any AAA filing fees paid by the prevailing party and any arbitration order shall so state the foregoing.

(vi) If the arbitrator decides that a Removal Event has occurred without mitigating factors, the arbitrator shall enter an order (x) declaring that a Removal Event has occurred, and (y) with the prevailing party's consent, declaring that the Developer Partner shall cease to be the General Partner of the Partnership and Limited Partner (or its designee) shall be the new managing Partner. The arbitrator shall have the power to order injunctive relief consistent with the foregoing.

(vii) The arbitrator shall not have any power to enter any damage award except as specified in subsection (e) above.

Even if the parties elect to proceed to arbitration

concerning whether or not a Removal Event has occurred, either Partner shall be permitted to pursue other remedies (at law or equity) permitted by this Agreement for breach by the other Partner of its obligations hereunder.

If the Developer Partner is ever removed as the General Partner, the Developer Partner shall have all rights of a limited partner specified in the Act.

Section 4.5. Reimbursement of Expenses. Each Partner shall be reimbursed for all out-of-pocket expenses actually incurred by it directly in conjunction with the business and affairs of the Partnership (including travel costs, telephone costs, and similar expenses, but excluding any salary expenses, employee expenses, and administrative expenses even if such excluded expenses are incurred in connection with (or allocable to) Partnership business), to the extent set forth on an Operating Budget or as otherwise approved in writing by the Limited Partner. Upon request, the General Partner shall provide reasonable supporting verification to the other Partners for all expenditures for which any reimbursement is requested. The General Partner shall at all times maintain insurance in amounts required by the Mortgage Loan provided that there are funds available to the Partnership with which to do so and if there are no such funds to do so General Partner shall give immediate written notice to Limited Partner (but if the cost thereof exceeds by more than 10% the budgeted amount therefor in an Operating Budget, the Developer Partner shall notify Limited Partner in writing before paying the cost thereof).

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Section 4.6. Compensation of General Partner. Except for expense reimbursements set forth in Section 4.5, no compensatory payment shall be made by the Partnership to the General Partner or any Partner for the services to the Partnership of such General Partner, Partner or any Partner or employee of such Partner.

Section 4.7. Transactions with Affiliates.

(a) General. When any service or activity to be performed on behalf of the Partnership is performed by an Affiliate of a Partner, the fee payable for such service or activity shall not exceed the fee which would be payable by the Partnership to an unaffiliated third party of comparable standing providing the same services.

(b) Termination of Agreements with Affiliates. If the Developer Partner is removed as General Partner as a result of the occurrence of a Removal Event, then the Partnership may terminate all agreements with Developer Partner's Affiliates without penalty or fee, and all such agreements must contain a provision that allows for the exercise of the right of termination under this Section 4.7(b). The Limited Partner may enforce this provision on behalf of the Partnership.

Section 4.8. Property Management Agreement. The Partnership is contemporaneously entering into a Property Management Agreement ("Management Agreement") with Brentway Management LLC ("Property Manager"), an Affiliate of the Developer Partner, under which Property Manager shall manage and lease the Project. The Management Agreement will provide that Property Manager shall be paid fees more particularly set forth in the Management Agreement. The General Partner or an Affiliate shall also be entitled to a fee on a sale or refinancing equal to .75% of the sale price or refinance amount, as the case may be, subject to a total cap on fees to third parties and the General Partner or its Affiliate of 1.5% (for example, if an outside broker's fee is 1.5%, no fee shall be payable to the General Partner or its Affiliate).

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Section 4.9. Indemnification; Reimbursement of Expenses; Insurance. To the fullest extent permitted by the Act: the Partnership shall hold harmless, indemnify and defend the General Partner from all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including the reasonable fees and actual expenses of the General Partner's counsel, which arise, result from or relate to any threatened, pending or completed action, suit or proceeding ("Proceeding"), relating to the ownership or operation of the Project or the business of the Partnership (other than claims and liabilities excluded below), including, without limitation, expenses incurred by the General Partner (1) in advance of the final disposition of any Proceeding to which such General Partner was, is or is threatened to be made a party, and (2) in connection with its as a witness or other participation in any Proceeding. The foregoing indemnity shall also extend to any Affiliate of the General Partner (including Cedar Income Fund Partnership, L.P. and Cedar Income Fund Ltd.) which may execute an environmental indemnity in favor of the holder of the Mortgage Loan such that such Affiliate shall be reimbursed by the Partnership (prior to distributions to Partners) for any amount paid on account of such environmental indemnity. The foregoing

indemnity shall also extend to any brokerage commissions or finder's fees claimed by any broker or other party against the General Partner in connection with the Project, or any of the transactions contemplated by this Agreement. The Partnership shall indemnify and advance expenses to an Officer, employee or agent of the Partnership to the same extent and subject to the same conditions under which it may indemnify and advance expenses to General Partners under the preceding sentence. The provisions of this Section 4.9 shall not be exclusive of any other right under any law, provision of the Certificate or this Agreement, or otherwise. Notwithstanding the foregoing, this indemnity shall not apply to actions constituting gross negligence, willful misconduct or bad faith, or involving a breach of this Agreement, but shall apply to actions constituting simple negligence. The Partnership may purchase and maintain insurance to protect itself and any General Partner, officer, employee or agent of the Partnership, whether or not the Partnership would have the power to indemnify such Person under this Section 4.9. This indemnification obligation shall be limited to the assets of Partnership and no Partner shall be required to make a Capital Contribution in respect thereof.

Section 4.10. Other Business Activities. Subject to the other express provisions of this Agreement, each Partner, General Partner, Officer or Affiliate thereof may engage in and possess interests in other business ventures of any and every type and description, independently or with others, including ones in direct or indirect competition with the Partnership, with no obligation to offer to the Partnership or any other Partner, General Partner or Officer the right to participate therein or to account therefor. The Partnership may transact business with any Partner, General Partner, Officer or Affiliate thereof, subject to the approval rights of the Limited Partner described herein, provided the terms of those transactions are no less favorable than those the Partnership could obtain from unrelated third parties. Each Partner and its Affiliates has numerous ownership interests in other real estate projects and neither Partner shall be required to offer any business opportunity or interest to the Partnership.

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Section 4.11. Indemnification of Limited Partner. The Partnership shall indemnify, defend and hold Limited Partner harmless from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including the reasonable fees and actual expenses of Limited Partner's counsel, arising in connection with (1) any investigative, administrative, mediation, arbitration, or judicial proceeding, commenced or threatened at any time against Limited Partner (whether or not the Partnership is a party thereto), in any way related to the execution, delivery or performance of this Agreement or to the Project, and (2) any proceeding instituted by the seller of the Project against Limited Partner (whether or not the Partnership is a party thereto), and (3) any brokerage commissions or finder's fees claimed by any broker or other party against Partnership or Limited Partner in connection with the Project, or any of the transactions contemplated by this Agreement. Limited Partner shall not be entitled to indemnification to the extent any of the foregoing are caused solely by the Limited Partner's gross negligence or willful misconduct. This indemnification obligation shall be limited to the assets of Partnership and no Partner shall be required to make a Capital Contribution in respect thereof.

ARTICLE 5

ACCOUNTING AND REPORTING

Section 5.1. Fiscal Year, Accounts, Reports.

(a) The fiscal year of the Partnership shall be the calendar year.

(b) The books of account of the Partnership shall be kept and maintained (at Partnership expense) by the General Partner on an accrual basis in accordance with GAAP. The Partnership shall report its operations for tax purposes on an accrual basis. The General Partner shall prepare a reconciliation of such books and records to cash receipts and disbursements. The books of account shall be kept at the principal place of business of the Partnership, and shall at all times be available for inspection by the Partners. All distributions of Net Cash Flow and Capital Proceeds shall be accompanied by income statements prepared by the General Partner setting forth in detail the calculation of the amount of each such distribution.

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(c) The General Partner shall, at Partnership expense, furnish to the Partners (1) on or before the 30th day after the end of each calendar quarter, an unaudited statement setting forth and describing in reasonable detail the receipts and expenditures of the Partnership during the preceding

month and comparing the results of operations of the Partnership for such month and for the year to date to the appropriate Operating Budget, (2) on or before 90 days after the end of each fiscal year, a balance sheet of the Partnership dated as of the end of such fiscal year, a statement of the Partners' Capital Accounts, a statement of Net Cash Flow, and a statement setting forth the Profits and Losses for such fiscal year, audited by an independent firm of certified public accountants as selected by the General Partner and approved by the Limited Partner (the Limited Partner hereby approves Ernst & Young, LLP as the initial certified public accounting firm for the Partnership), and unaudited statements of the foregoing for the prior calendar year shall be sent to the Partners within 60 days following the end of each calendar year, and (3) from time to time, all other information relating to the Partnership and the business and affairs of each, reasonably requested by any Partner.

(d) Each Partner, at its expense, may at all reasonable times during usual business hours audit, examine, and make copies of or extracts from the books of account records, files, and bank statements of the Partnership. Such right may be exercised by any Partner, or by its designated agents or employees.

Section 5.2. Bank Accounts. The General Partner shall open and maintain (in the name of the Partnership) a special bank account or accounts in a bank or savings and loan association, the deposits of which are insured, up to the applicable limits, by an agency of the United States government, in which shall be deposited all funds of the Partnership.

Section 5.3. Financial Accounting Matters. The method by which the financial statements of the Partnership shall be prepared (including the allocation of all revenues and expenses, including depreciation, to the respective Partner's Capital Accounts) shall be such reasonable method as is employed by the General Partner for other properties of which it shall be the owner or the general partner or managing Partner thereof.

ARTICLE 6

CAPITAL CONTRIBUTIONS -----

Section 6.1. Initial Capital Contributions. The Developer Partner has contributed cash of \$_____ to the Partnership on the date hereof which shall constitute the Developer Partner's initial Capital Contribution.

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The Limited Partner has contributed cash of \$_____ to the Partnership on the date hereof which shall constitute the Limited Partner's initial Capital Contribution.

Section 6.2. Additional Capital Contributions. After the initial Capital Contributions have been made, each Member shall make Capital Contributions to the Partnership in proportion to their respective Capital Sharing Ratios as may be approved by the General Partner and the Limited Partner for the conduct of the Partnership's business, maintenance of its assets, and discharge of its liabilities. Each additional contribution made under this Section 6.2 is an "Additional Capital Contribution".

Section 6.3. Return of Contributions. Except as expressly provided herein, no Partner shall be entitled to (a) the return of any part of its Capital Contributions, (b) any interest in respect of any Capital Contribution, or (c) the fair market value of its Partnership Interest in connection with a withdrawal from the Partnership or otherwise. Unrepaid Capital Contributions shall not be a liability of the Partnership or of any Partner. No Partner shall be required to contribute or lend any cash or property to the Partnership to enable the Partnership to return any Partner's Capital Contributions to the Partnership.

Section 6.4. Partner Loans. If the Partnership shall have insufficient cash to pay its obligations, any Partner, with the approval of the Limited Partner and the General Partner, may advance such funds for the Partnership on such terms and conditions as the lending Partner, the Limited Partner, and the General Partner may determine. Each such advance shall constitute a loan from such Partner to the Partnership and shall not constitute a Capital Contribution.

Section 6.5. Balances. The Partnership's books and records shall contain entries indicating the type and amount of Capital Contributions made to the Partnership.

ARTICLE 7

THIRD PARTY FINANCING -----

Section 7.1. Initial Financing. The Partnership approves borrowing

pursuant to the Mortgage Loan. The Mortgage Loan is secured by a first-priority mortgage lien on the Project. General Partner shall deliver (or cause to be delivered to Limited Partner) to the Limited Partner all notices, correspondence, and information delivered by the holder (or servicer) of the Mortgage Loan to the Partnership.

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ARTICLE 8

DISTRIBUTIONS

Section 8.1. Distribution of Net Cash Flow. The Net Cash Flow for each calendar quarter shall be distributed to the Partners on or before the 10th day following the end of each calendar quarter as follows: 1% to the Developer Partner and 99% to the Limited Partner.

Section 8.2. Distribution of Capital Proceeds. Capital Proceeds of the Partnership shall be distributed to the Partners within 10 days following receipt by the Partnership of such Capital Proceeds as follows: 1% to the Developer Partner and 99% to the Limited Partner.

Section 8.3. Statements. All distributions of Net Cash Flow and Capital Proceeds shall be accompanied by income statements setting forth in detail the calculation of the amount of each such distribution.

ARTICLE 9

CAPITAL ACCOUNTS, ALLOCATIONS, AND TAX MATTERS

Section 9.1. Capital Accounts.

(a) Establishment and Maintenance. A separate capital account ("Capital Account") will be maintained for each Partner in accordance with Regulations 1.704-1(b)(iv). The General Partner shall establish and maintain a single Capital Account for each Partner which reflects each Partner's Capital Contributions to the Partnership. Each Capital Account shall also reflect the allocations and distributions made pursuant to Article 8 and otherwise be adjusted in accordance with Code Section 704 and the principles set forth in Treasury Regulations Sections 1.704-1(b) and 1.704-2. In applying such principles, any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 704(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) shall be allocated among the Partners in proportion to their respective Sharing Ratios. The Partners intend that the Partnership be treated as a partnership for tax purposes.

The Capital Accounts will be adjusted as follows:

(1) Each Partner's Capital Account will be credited with the Partner's Capital Contributions, the Partner's distributive share of Profits, any items in the nature of income or gain that are specially allocated to the Partner under Sections 9.4(c), 9.4(d), or 9.4(e), and the amount of any Partnership liabilities that are assumed by the Partner or secured by any Partnership property distributed to the Partner.

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(2) Each Partner's Capital Account will be debited with the amount of cash and the Gross Asset Value of any Partnership property distributed to the Partner under any provision of this Agreement, the Partner's distributive share of Losses, any items in the nature of deduction or loss that are specially allocated to the Partner under Sections 9.4(c), 9.4(d) or 9.4(e), and the amount of any liabilities of the Partner assumed by the Partnership or which are secured by any property contributed by the Partner to the Partnership.

(b) Initial Capital Accounts. The initial Capital Account balance of each Partner equals the amount of cash contributed by each Partner as its Initial Capital Contribution, which balances have been determined in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(f).

(c) Transfer. If any interest in the Partnership is transferred in accordance with the terms of this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(d) Modifications by General Partner. The provisions of this Section 9.2 and the other provisions of this Agreement relating to the maintenance of Capital Accounts have been included in this Agreement to comply with Section 704(b) of the Code and the Regulations promulgated thereunder and

will be interpreted and applied in a manner consistent with those provisions and the Regulations. The General Partner may, with the consent of the Limited Partner, modify the manner in which the Capital Accounts are maintained under this Section 9.2 to comply with those provisions and the Regulations, as well as upon the occurrence of events that might otherwise cause this Agreement not to comply with those provisions and the Regulations; however, without the unanimous consent of all Partners, the General Partner may not make any modification to the way Capital Accounts are maintained if such modification would have the effect of changing the amount of distributions to which any Partner would be entitled during the operation, or upon the liquidation, of the Partnership.

Section 9.2. Adjustment of Gross Asset Value. "Gross Asset Value", with respect to any asset, is the adjusted basis of that asset for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed (or deemed contributed under Regulations Section 1-708-1(b)(1)(iv) by a Partner to the Partnership will be the fair market value of the asset on the date of the contribution, as determined by the General Partner and the Limited Partner.

(b) The Gross Asset Values of all assets will be adjusted to equal the respective fair market values of the assets, as determined by the General Partner and the Limited Partner, as of (1) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis capital contribution, (2) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership if an adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership, and (3) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g).

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(c) The Gross Asset Value of any asset distributed to any Partner will be the gross fair market value of the asset on the date of distribution as approved by General Partner and Limited Partner.

(d) The Gross Asset Values of assets will be increased or decreased to reflect any adjustment to the adjusted basis of the assets under Code Section 734(b) or 743(b), but only to the extent that the adjustment is taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m), provided that Gross Asset Values will not be adjusted under this Section 9.2 to the extent that the General Partner determines that an adjustment under Section 9.2(b) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment under this Section 9.2(d).

(e) After the Gross Asset Value of any asset has been determined or adjusted under Section 9.2(a), 9.2(b) or 9.2(d), Gross Asset Value will be adjusted by the Depreciation taken into account with respect to the asset for purposes of computing Profits or Losses.

Section 9.3. Profits, Losses and Distributive Shares of Tax Items.

(a) Profits (other than from Capital Transactions). Except as otherwise provided in Sections 9.3(d), 9.3(e) and 9.3(f), and except as otherwise provided in Article 10 (relating to allocation of Profits upon dissolution), Profits for any taxable year (other than those arising from a Capital Transaction) shall be allocated to the Partners in accordance with their respective Sharing Ratios.

(1) (b) Profits (from Capital Transactions). Except as otherwise provided in Sections 9.3(c), 9.3(d), 9.3(e) and 9.3(f), and except as otherwise provided in Article 10 (relating to allocation of Profits upon dissolution), Profits for any taxable year arising from a Capital Transaction shall be allocated to the Partners in accordance with their respective Sharing Ratios.

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(c) Losses. Except as otherwise provided in Sections 9.3(d), 9.3(e), and 9.3(f), Losses for any taxable year shall be allocated in the following manner:

(1) First, to the Partners in proportion to their respective adjusted Capital Account balances, but not in excess of the adjusted Capital Account balance of each such Partner before the allocation provided for in this Section 9.3(c)(1); and

(2) thereafter, to the Partners with positive Capital Account balances (in proportion to such balances) to the extent further allocations of Losses to a Partner under this Section 9.3(c) would cause such Partner to have an Adjusted Capital Account Deficit.

(d) Special Allocations. The following special allocations will be made in the following order and priority before allocations of Profits and Losses:

(1) Partnership Minimum Gain Chargeback. If there is a net decrease in Partnership Minimum Gain during any taxable year or other period for which allocations are made, before any other allocation under this Agreement, each Partner will be specially allocated items of Partnership income and gain for that period (and, if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain during such year determined in accordance with Regulations Section 1.704-2(g)(2). The items to be allocated will be determined in accordance with Regulations Sections 1.704(2)(f)(6) and 1.704-2(j)(2). This Section 9.3(d)(1) is intended to comply with the Partnership Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

(2) Partner Nonrecourse Debt Minimum Gain Chargeback. Notwithstanding any other provision of this Section 9.3 (other than Section 9.3(d)(1) which shall be applied first), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain with respect to a Partner Nonrecourse Debt during any taxable year or other period for which allocations are made, any Partner with a share of such Partner Nonrecourse Debt Minimum Gain (determined under Regulations Section 1.704-2(i)(5)) as of the beginning of the year will be specially allocated items of Partnership income and gain for that period (and, if necessary, subsequent periods) in an amount equal to such Partner's share of the net decrease in the Partner Nonrecourse Debt Minimum Gain during such year determined in accordance with Regulations Section 1.704-2(i)(4). The items to be so allocated will be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 9.3(d)(2) is intended to comply with the Partner Nonrecourse Debt Minimum Gain chargeback requirements of the Regulations, will be interpreted consistently with the Regulations and will be subject to all exceptions provided therein.

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(3) Qualified Income Offset. A Partner who unexpectedly receives any adjustment, allocation or distribution described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) will be specially allocated items of Partnership income and gain in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Partner as quickly as possible.

(4) Nonrecourse Deductions. Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated among the Partners in proportion to their respective Sharing Ratios.

(5) Partner Nonrecourse Deductions. Notwithstanding anything to the contrary in this Agreement, any Partner Nonrecourse Deductions for any taxable year or other period for which allocations are made will be allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which the Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i).

(6) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset under Code Sections 734(b) or 743(b) is required to be taken into account in determining Capital Accounts under Regulations Section 1.704-1(b)(2)(iv)(m), the amount of the adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis), and the gain or loss will be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted under Regulations Section 1.704-1(b)(2)(iv)(m).

(e) Curative Allocations. The allocations set forth in Section 9.3(d) (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. The Regulatory Allocations may effect results which would be inconsistent with the manner in which the Partners intend to divide Partnership distributions. Accordingly, the General Partner is authorized to divide other allocations of Profits, Losses, and other items among the Partners, to the extent that they exist, so that the net amount of the Regulatory Allocations and the special allocations to each Partner is zero. The General Partner will have discretion to accomplish this result in any reasonable manner that is consistent with Code Section 704 and the related Regulations.

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(f) Tax Allocations--Code Section 704(c). For federal, state and local income tax purposes, Partnership income, gain, loss, deduction or

expense (or any item thereof) for each fiscal year shall be allocated to and among the Partners to reflect the allocations made pursuant to the provisions of this Section 9.3 for such fiscal year. In accordance with Code Section 704(c) and the related Regulations, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership, solely for tax purposes, will be allocated among the Partners so as to take account of any variation between the adjusted basis to the Partnership of the property for federal income tax purposes and the initial Gross Asset Value of the property (computed in accordance with Section 9.2). If the Gross Asset Value of any Partnership asset is adjusted under Section 9.2(b), subsequent allocations of income, gain, loss and deduction with respect to that asset will take account of any variation between the adjusted basis of the asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the related Regulations. Any elections or other decisions relating to allocations under this Section 9.3(f) will be made in any manner that the General Partner determines reasonably reflects the purpose and intention of this Agreement as consented to by the Partners. Allocations under this Section 9.3(f) are solely for purposes of federal, state and local taxes and will not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses or other items or distributions under any provision of this Agreement.

(g) Reporting. Partners shall be bound by the provisions of this Section 9.3(g) in reporting their shares of Partnership income and loss for income tax purposes.

Section 9.4. Tax Returns. The General Partner shall cause to be prepared and filed (but no filing shall be made until the Limited Partner has approved in writing such tax returns) all necessary federal and state income tax returns for the Partnership, including making the elections described in Section 9.5. Each Partner shall furnish to the General Partner all pertinent information in its possession relating to Partnership operations that is necessary to enable such income tax returns to be prepared and filed.

Section 9.5. Tax Elections. The following elections shall be made on the appropriate returns of the Partnership:

(a) to adopt the calendar year as the Partnership's fiscal year;

(b) to adopt the accrual method of accounting and to keep the Partnership's books and records on the accrual method;

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(c) if there is a distribution of Partnership property as described in section 734 of the Code or if there is a transfer of a Partnership interest as described in section 743 of the Code, upon written request of any Partner, to elect, pursuant to section 754 of the Code, to adjust the basis of Partnership properties; and

(d) to elect to amortize the organizational expenses of the Partnership ratably over a period of 60 months as permitted by section 709(b) of the Code.

No election shall be made by the Partnership or any Partner to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state laws.

Section 9.6. Tax Matters Partner. The Partner serving as General Partner shall be the "tax matters partner" of the Partnership pursuant to section 6231(a)(7) of the Code. As tax matters partner, such Partner shall take such action as may be necessary to cause each other Partner to become a "notice partner" within the meaning of section 6223 of the Code. Such Partner shall inform each other Partner of all significant matters that may come to its attention in its capacity as tax matters partner by giving notice thereof within ten days after becoming aware thereof and, within such time, shall forward to each other Partner copies of all significant written communications it may receive in such capacity. Such Partner shall not take any action contemplated by sections 6222 through 6232 of the Code without the consent of the Limited Partner. This provision is not intended to authorize such Partner to take any action left to the determination of an individual Partner under sections 6222 through 6232 of the Code.

Section 9.7. Allocations on Transfer of Interests. All items of income, gain, loss, deduction, and credit allocable to any interest in the Partnership that may have been transferred shall be allocated between the transferor and the transferee based upon the closing of the books method, unless the transferor and transferee otherwise agree.

Section 9.8. Sharing of Company Nonrecourse Debt. Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section

1.752-3(a), the Partners' interests in Company profits are in proportion to their Sharing Ratios.

Section 9.9. Intent of Allocations. The parties intend that the foregoing tax allocation provisions of this Article 9 shall produce final Capital Account balances of the Partners such that distributions made in accordance with Section 10.2(c)(2) (after unpaid loans and interest thereon, including those owed to Partners have been paid) are made in accordance with final Capital Account balances. To the extent that the tax allocation provisions of this Article 9 would fail to produce such final Capital Account balances, (i) such provisions shall be amended by the General Partner (with the Limited Partner's written consent) if and to the extent necessary to produce such result and (ii) taxable income and taxable loss of the Partnership for prior open years (or items of gross income and deduction of the Partnership for such years) shall be reallocated by the General Partner among the Partners (with the Limited Partner's written consent) to the extent it is not possible to achieve such result with allocations of items of income (including gross income) and deduction for the current year and future years, as approved by the General Partner and Limited Partner. This Section 9.9 shall control notwithstanding any reallocation or adjustment of taxable income, taxable loss, or items thereof by the Internal Revenue Service or any other taxing authority.

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ARTICLE 10

WITHDRAWAL, DISSOLUTION, LIQUIDATION, AND TERMINATION

Section 10.1. Dissolution, Liquidation, and Termination Generally. The Partnership shall be dissolved (but not prior to payment in full of the Mortgage Loan) upon the first to occur of any of the following:

(a) the first day of the first taxable year of the Partnership following the taxable year in which occurs the sale or disposition of all of the assets of the Partnership and the receipt, in cash, of all consideration therefor unless all the Partners elect not to dissolve the Partnership;

(b) the determination of the General Partner and the Limited Partner to dissolve the Partnership; or

(c) the occurrence of any event which, as a matter of law, requires that the Partnership be dissolved (other than a Bankruptcy of a Partner which shall not dissolve the Partnership).

Section 10.2. Liquidation and Termination. Upon dissolution of the Partnership, unless it is continued as provided above, the General Partner shall act as liquidator or may appoint one or more other Persons as liquidator; however, if the Partnership is dissolved because of an event occurring with respect to the General Partner, the liquidator shall be one or more Persons selected in writing by the other Partner. The liquidator shall proceed diligently to wind up the affairs of the Partnership and make final distributions as provided herein. The costs of liquidation shall be a Partnership expense. Until final distribution, the liquidator shall continue to operate the Partnership properties with all of the power and authority of the General Partner hereunder. The steps to be accomplished by the liquidator are as follows:

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(a) as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by Ernst & Young, LLC or such other firm of certified public accountants as is acceptable to the Limited Partner of the Partnership's assets, liabilities, and operations through the last day of the calendar month in which the dissolution shall occur or the final liquidation shall be completed, as applicable;

(b) the liquidator shall pay all of the debts and liabilities of the Partnership or otherwise make adequate provision therefor (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

(c) all remaining assets of the Partnership shall be distributed to the Partners as follows:

(1) the liquidator may sell any or all Partnership property and the sum of (A) any resulting gain or loss from each sale plus (B) the fair market value of such property that has not been sold shall be determined and (notwithstanding the provisions of Article 9) income, gain, loss, and deduction inherent in such property (that has not been reflected in the Capital Accounts previously) shall be allocated among the Partners to the extent possible to cause the Capital Account balance of each Partner to equal the

amount distributable to such Partner under Article 8; and

(2) after Capital Accounts have been adjusted for all distributions under Article 8 and all allocations of Profits and Losses under Sections 9.3, 9.9 and Section 10.2(c)(1), Partnership property shall be distributed in accordance with Section 8.2.

Notwithstanding anything to the contrary, in the event the Partnership is "liquidated" within the meaning of Regulations ss. 1.704-1(b)(2)(ii)(g), liquidating distributions shall be made pursuant to this Section 10.2 by the end of the taxable year in which the Partnership is liquidated, or, if later, within ninety (90) days after the date of such liquidation. Distributions pursuant to the preceding sentence may be made to a trust for the purpose of an orderly liquidation of the Partnership by the trust in accordance with the Act.

Section 10.3. Deficit Capital Accounts. No Partner shall be required to pay to the Partnership, to any other Partner or to any third party any deficit balance which may exist from time to time in the Partner's capital account.

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Section 10.4. Cancellation of Certificate. On completion of the distribution of Partnership assets, the Partner (or such other person as the Act may require or permit) shall file a Certificate of Cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to Section 2.5, and take such other actions as may be necessary to terminate the existence of the Partnership.

ARTICLE 11

MISCELLANEOUS PROVISIONS

Section 11.1. Notices. All notices provided for or permitted to be given pursuant to this Agreement must be in writing and shall be given or served by (a) depositing the same in the United States mail addressed to the party to be notified, postpaid and certified with return receipt requested, (b) by delivering such notice in person to such party, or (c) by prepaid telegram, telex, or telecopy. By giving written notice thereof, each Partner shall have the right from time to time to change its address pursuant hereto. Notices shall be given to the parties at the following addresses:

If to Developer Partner: Cedar Bay Income Fund Partnership, L.P.
c/o Cedar Bay Realty Advisors
44 South Bayles Avenue
Port Washington, New York 11050
Attention: Mr. Leo S. Ullman

with a copy to: c/o Cedar Bay Realty Advisors
44 South Bayles Avenue
Port Washington, New York 11050
Attention: General Counsel

If to Limited Partner: c/o Kimco Realty Corporation
3333 New Hyde Park Road
New Hyde Park, NY 11042
Attention: Mr. Michael Pappagallo

with a copy to: Stephen M. Lyons III, Esq.
Reed Smith LLP
2500 One Liberty Place
Philadelphia, PA 19103

Section 11.2. Governing Law. This Agreement and the obligations of the Partners hereunder shall be construed and enforced in accordance with the laws of the State of Delaware, excluding any conflicts of law rule or principle which might refer such construction to the laws of another state or country. Each Partner submits to the jurisdiction of the state and federal courts in the State of Delaware.

Section 11.3. Entireties; Amendments. This Agreement and its exhibits constitute the entire agreement between the Partners relative to the formation of the Partnership. Except as otherwise provided herein, no amendments to this Agreement shall be binding upon any Partner unless set forth in a document duly executed by such Partner.

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Section 11.4. Waiver. No consent or waiver, express or implied, by any Partner of any breach or default by any other Partner in the performance by the other Partner of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by

such other Partner of the same or any other obligation hereunder. Failure on the part of any Partner to complain of any act or to declare any other Partner in default, irrespective of how long such failure continues, shall not constitute a waiver of rights hereunder.

Section 11.5. Severability. If any provision of this Agreement or the application thereof to any Person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this Agreement and the application of such provisions to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 11.6. Ownership of Property and Right of Partition. A Partner's interest in the Partnership shall be personal property for all purposes. No Partner shall have any right to partition the property owned by the Partnership or any Subsidiary.

Section 11.7. Captions, References. Pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character, and the singular shall include the plural wherever and as often as may be appropriate. Article and section headings are for convenience of reference and shall not affect the construction or interpretation of this Agreement. Whenever the terms "hereof", "hereby", "herein", or words of similar import are used in this Agreement they shall be construed as referring to this Agreement in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Whenever the word "including" is used herein, it shall be construed to mean including without limitation. Any reference to a particular "Article" or a "Section" shall be construed as referring to the indicated article or section of this Agreement unless the context indicates to the contrary.

Section 11.8. Involvement of Partners in Certain Proceedings. Should any Partner become involved in legal proceedings unrelated to the Partnership's business in which the Partnership is required to provide books, records, an accounting, or other information, then such Partner shall indemnify, defend and hold harmless the Partnership from all liabilities and expenses (including reasonable attorneys' fees and costs) incurred in conjunction therewith.

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Section 11.9. Interest. No amount charged as interest on loans hereunder shall exceed the maximum rate from time to time allowed by applicable law.

Section 11.10. Counterparts. This Agreement may be executed in one or more counterparts (and by different parties hereto on different counterparts), each of which will constitute an original, but all of which when taken together shall constitute a single contract. A facsimile signature shall for all purposes be deemed to be an original signature, and either party hereto shall forward to the other party an original signature if required by the other party.

Section 11.11. Approvals and Consents of Limited Partner. Whenever under the terms of this Agreement the approval or consent of the Limited Partner shall be required, the Limited Partner shall not unreasonably withhold or condition such approval or consent and such approval or consent shall be deemed given if the Limited Partner shall not respond to any written request for consent or approval within ten (10) days after the Limited Partner's receipt of such written request for consent or approval. If the Limited Partner shall give notice to the Developer Partner within such ten (10) day period that it does not believe the Developer Partner has provided the necessary information or documentation on which Limited Partner may reasonably make a decision on the matter in question (and shall specify the additional information or documentation required), then the foregoing ten (10) day period shall be extended to the date which is ten (10) days after Developer Partner has provided the Limited Partner with such additional information or documentation as shall be reasonably required by the Limited Partner in order to make a decision on the matter in question.

Section 11.12. Buyout Rights. Reference is hereby made to Articles 4, 12 and 13 of the Fairport Partnership Agreement. Whenever the interest of the Developer Partner (as defined in the Fairport Partnership Agreement) is to be sold pursuant to said Articles 4, 12 or 13, then the interest of the Developer Partner (as defined in this Agreement) under this Agreement shall be transferred to, or as directed by, the Preferred Partner (as defined in such Property Partnership Agreement) subject to the terms and conditions of each of said Articles 4, 12 and 13 as if such partnership interest were an interest of the Developer Partner (as defined in the Fairport Partnership Agreement) in the Fairport Partnership.

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SPE PROVISIONS

Notwithstanding any provision hereof to the contrary, the following shall govern:

(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;
- (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;

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- (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.

13. 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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14. Effect of Bankruptcy, Death or Incompetency of a Limited Partner. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Limited Partner shall not cause the termination or dissolution of the Partnership and the business of the Partnership shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Limited Partner shall have all the rights of such Limited Partner for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Limited Partner. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any Partnership Interest shall be subject to all of the restrictions, hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Limited Partner.

[signatures continued on next page]

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Executed effective as of the date above written.

GENERAL PARTNER/DEVELOPER

PARTNER:

CIF-HALIFAX PLAZA ASSOCIATES, LLC,
a Delaware limited liability company

By: Cedar Income Fund
Partnership, L.P., a Delaware
limited partnership, its sole
member

By: Cedar Income Fund, Ltd.,
a Maryland Corporation,
its general partner

By: _____
Brenda J. Walker,
Vice President

[signatures continued on next page]

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LIMITED PARTNER:

FAIRPORT ASSOCIATES, L.P.

By: CIF-Fairport Associates, LLC,
a Delaware limited liability
company, its general partner

By: Cedar Income Fund
Partnership, L.P., a limited
partnership, its sole member

By: Cedar Income Fund, Ltd., a
Maryland corporation, its
general partner

By: _____
Brenda J. Walker,
Vice President

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PROPERTY MANAGEMENT AGREEMENT

[Halifax Plaza]

THIS PROPERTY MANAGEMENT AGREEMENT ("Agreement") made as of January , 2003 by and between HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership ("Owner"), and BRENTWAY MANAGEMENT LLC, a New York limited liability company ("Manager").

BACKGROUND

A. Owner is the owner of the land and improvements known as Halifax Plaza, Halifax, Pennsylvania (the "Property").

B. Owner desires to retain Manager as Owner's exclusive manager and broker for the purposes of leasing and managing the Property on behalf of Owner and Manager is willing to act as Manager 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 Manager agree as follows:

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

2. Manager 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 Manager of such duty or duties), take all such actions as Manager 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. Manager may retain counsel, collection agencies, and such other persons and firms as Manager 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. Manager 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 Manager shall notify Owner of budget expenditures cumulatively exceeding one hundred ten percent (110%) of the total expenditures shown on any approved annual budget;

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 Managers of properties similar in location and size to that of the Property. Manager shall prepare or cause to be prepared and file all returns and other reports relating to the Property (other than (a) income tax returns and (b) 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. Manager shall periodically report to Owner on the general operations, occupancy, physical condition, disbursements, delinquencies, uncollectible accounts, and other matters relating to the Property. Manager 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 Manager under this Agreement. As soon as practicable after the end of each calendar year and after the expiration or termination of this Agreement, Manager 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. Manager 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. Manager 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;

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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 Manager and naming Owner and Manager as co-insureds and in form and substance satisfactory to Owner, Manager and any mortgagees; provided, however, that if Manager 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 Manager harmless of and from any claims, loss, damages and liability of any nature whatsoever based upon or in any way relating to Manager's securing or failure to secure any insurance, or any decision made by Manager with respect to the amount or extent of coverage thereof or the company or companies issuing, brokering or negotiating such insurance;

2.9. To respond to complaints and inquiries by Tenants, prospective tenants and others, and to take such corrective actions as Manager 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, provided Manager shall obtain competitive bids from two non-affiliates for any contract having a value of \$10,000.00 or more;

2.11. Intentionally omitted;

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2.12. Intentionally omitted;

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. Manager shall maintain casualty and liability insurance in the name of the Owner for the Property in amounts reasonably acceptable to Owner;

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. Manager 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;

2.17. To institute and prosecute on behalf of Owner such legal actions or proceedings as the Manager 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 Manager; to defend any administrative or legal action brought against Owner with respect to the Property or the Property with Owner's approval;

2.18. To maintain such bank or similar accounts on behalf of Owner, and in Owner's name, as are necessary or appropriate in the operation of the Property, including such reserve, investment, security, escrow and other accounts, it being understood that all rents and income from the Property shall be deposited into an account in Owner's name;

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;

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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 Manager;

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 Manager's knowledge thereof;

2.23. To supervise and arrange for all construction work performed on behalf of Owner at, in or about the Property. Manager 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 Manager 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. With Owner's approval, to handle on behalf of Owner the submission to appropriate insurance officials of insurance claims and, with the consent of the Owner, the settlement thereof;

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 Manager 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 Managers within the Property's geographical area as shall be reasonably requested from time to time by Owner. If Owner and Manager disagree as to which services are customarily performed by Managers as aforesaid, Manager 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.

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3. Owner expressly withholds from Manager 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 Manager 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. Manager 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.

3.2. Manager's duties under this Agreement are limited as follows:

(i) Manager shall not have any authority to enter into any leases for or on behalf of the Owner, although the Manager shall be authorized to negotiate term sheets for leases of space in the Property and present those term sheets to Owner for Owner's approval. All leases of space in the Property must be signed by the Owner and must be on a lease form approved by the Owner.

(ii) Manager shall obtain and present to Owner for approval and execution by Owner contracts for electricity, gas, fuel, water and telephone, maintenance services, trash services, and other services as Manager deems advisable. Manager may enter into contracts on behalf of Owner only after Owner's written approval thereof provided that Owner's approval is not required for a contract for a service in which the cost for such service under such contract does not exceed the cost specified in the Budget. Manager shall not have authority to enter into any contract for any services whose estimated cost would exceed the cost specified therefor in the Budget.

(iii) Manager shall give Owner prompt written notice of any claim which may affect the Property, or of any alleged violations of any applicable law relating to the Property. Manager may not hire any legal counsel to defend any such claim against Owner without Owner's prior written consent.

(iv) To the extent that operating revenues of the Property are available to do so, Manager shall use all reasonable efforts to cause the Property to be operated in accordance with applicable law and all insurance requirements; provided, however, that Manager shall not, without the prior written consent of Owner, make any alterations or repairs, if not included in the then current budget, except for emergency repairs described in Section 3.

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(v) To the extent that operating revenues of the Property are available to do so, Manager shall enforce all provisions of all contracts and leases to which Owner is a party, except that Manager may not institute any legal action against a vendor or a tenant without the written approval of the Owner.

(vi) Manager shall establish, maintain and supervise at the Manager's office such books and records necessary or desirable in order for Manager to render monthly financial statements to the Owner. Such records shall be kept for a period of not less than three (3) years and, upon termination of this Agreement for any reason, Manager shall turn over all of such books and records to the Owner and be relieved of any obligation to maintain records thereafter. Owner or any partner of Owner shall have the right to inspect such records at any time upon 24 hours notice to the Manager.

(vii) If Manager must engage employees to render the services required by Manager hereunder, all such employees shall be employees of the Manager, and not employees of the Owner.

4. Owner, and not Manager, shall be responsible for providing the 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 and Manager's obligations hereunder are conditioned upon Owner doing so. Owner shall advance such funds to Manager no later than fifteen (15) days after its receipt from Manager of notice of the necessity for such advance. Owner agrees to provide any anticipated cash deficits fifteen (15) days prior to its occurrence. If Owner fails to provide such funds to Manager, however, Owner shall not be liable in damages or for specific performance and Manager's remedies for breach by Owner of Owner's covenants in this Section 4 shall be to terminate this Agreement, in which event the provisions of Section 10 hereof shall be applicable.

5. Except as otherwise provided for herein, Owner shall pay to Manager a property management fee in an amount equal to 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, but 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 for rental loss insurance) or condemnation award. This fee does not include commissions for leasing services set forth in Section 5.2.

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 Manager 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 Manager to defer receipt by it of any management fee or other fees whatsoever.

5.2. Manager or its affiliate shall be the leasing agent for the Property. Owner shall pay brokerage commissions as follows:

(a) Subject to the provisions of subsection (e) hereof, with respect to all leases negotiated with new tenants a commission of (a) 4% of gross minimum rent (which, as used in this agreement, excludes common area maintenances, taxes and expense reimbursements payable by a tenant) for leases of less than 5,000 rentable square feet and (6) 3% of gross minimum rent for leases of 5,000 or more rentable square feet. One half (1/2) of said commission shall be paid when the lease has been signed by the Owner and tenant and the tenant opens for business, and the remainder of the commission shall be paid upon the later of the date tenant opens for business or the date tenant pays its first full monthly rent payment.

(b) With respect to any new lease with an existing tenant, extension of the term of an existing lease (beyond any then existing lease term, plus renewals) with a then existing tenant, or the exercise by a tenant of a renewal option, the commission shall be 2% of the gross minimum rent, but in no event shall the fee be less than \$300.00.

(c) No commissions shall be due and payable upon any sale, refinancing or ground lease of the entire Property except as set forth in Section 4.8 of the Limited Partnership Agreement of Owner (such fee may be payable to Manager in lieu of General Partner or another Affiliate (as defined in the Limited Partnership Agreement of Owner)).

(d) In the event that a tenant vacates the Property prior to the expiration of its lease, Manager will, subject to the following conditions in this subsection, reimburse Owner for a pro rata credit for the unearned portion of the commission, provided that Manager negotiated the original lease and received a commission. Manager's obligation to return a pro rata portion of the commission shall be, in the event of a co-broker, only that share of the commission retained by Manager. Said reimbursement to Owner shall be due only as a credit against the next commission earned in re-leasing said vacated space. It shall be the duty of the Manager to renegotiate leases, where possible, with existing tenants in the Property.

(e) Manager shall have an exclusive listing of all rentals in the Property and shall be entitled to a commission in those instances where another real estate broker represents the tenant or is otherwise responsible for causing a lease to be executed, it being the responsibility of the Manager to pay such other broker any commissions due it. In the event that Manager has to pay an outside broker, the commission payable to Manager shall be one and one-half times the commission amounts as stated in Section 5.2(a) and Manager agrees to pay such outside broker a commission of not less than 50% of Manager's commissions specified in Section 5.2(a) (and if Manager negotiate a lesser amount, the amount payable to Manager under this subsection 5.2(e) shall be reduced by the amount of such savings).

(f) Notwithstanding anything to the contrary in this Section 5, however, no commission shall be payable under any lease for a period covering more than 15 years. For example, if Owner enters into a 20 year lease with a tenant, a commission shall be based only on the initial 15 years; or if the Owner enters into a lease with a tenant providing for one initial 5-year term and three 5-year renewal terms, commissions shall be based solely on the initial 5-year term and two of the 5-year renewal terms. However, if all renewal options in a lease have expired, and the lease is then renewed or a new lease is entered into with the same tenant, the Manager will be entitled to a commission thereon pursuant to Section 5.2(b).

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

7. The Manager, 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 Manager.

8. In performing its obligations hereunder, Manager 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 one (1) year 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 Manager in the event of the malfeasance or breach of this Agreement by Manager or upon the filing of a bankruptcy petition against or by Manager. This Agreement shall terminate automatically (with no additional compensation) if:

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

(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 Manager 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 Manager shall survive any termination and, if Manager is or becomes involved in any proceeding or litigation by reason of having been Owner's Manager, such provisions shall apply as if this Agreement were still in effect. Owner agrees that Manager 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.

At the expiration or earlier termination of this Agreement, and as a condition to paying any fees due to the Manager, Manager shall deliver to Owner all cash and security deposits, if any, previously collected and not properly expended or otherwise delivered to Owner by Manager for the benefit of Owner; all originals and executed copies of leases and all related lease files; all other books and records in the possession of the Manager relating to the Property; all licenses and permits relating to the Property; and all other software associated with the foregoing. Manager shall cooperate in good faith to achieve the orderly transfer of the management responsibilities for the Property to the new manager designated by Owner.

11. Owner agrees to indemnify, defend, and save the Manager, 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 Manager's costs in connection therewith) in any way:

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(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 Manager'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 Manager, 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 Manager are subject to the following conditions:

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

(ii) Manager 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 Manager.

Notwithstanding the foregoing, Owner shall not be required to indemnify, hold harmless, or reimburse Manager with respect to any matter (a) to the extent the same resulted from the gross negligence or willful malfeasance of Manager or actions taken by Manager outside of the scope of Manager's authority under this Agreement or any express or implied direction of Owner, (b) which are covered under workmen's compensation, disability benefits or other insurance, or (c) to damages or injuries to persons or property caused or occasioned by the operation of a motor vehicle of any description which are covered by automobile liability insurance maintained by Manager as required herein (Manager shall be entitled to indemnification if such damages or injuries are not covered by such automobile liability insurance provided that such damages or injuries are not due to actions by Manager outside of the scope of Manager's authority under this Agreement). Manager agrees to insure itself and its employees, with appropriate limits of liability, against liability for damages or injuries to persons or property caused or occasioned by the operation of any motor vehicle, and to furnish evidence of such insurance to Owner; provided that Manager is entitled to be reimbursed for the pro rata share of any auto policy apportionable to the Property.

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

12. Owner and Manager 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. Manager 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 Managers 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 Manager, in its sole and absolute discretion, considers that the action or position of Owner may result in damage or liability to Manager, Manager 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 Manager set forth herein and shall not terminate (i) any liability or obligation of Owner to Manager for any payment, reimbursement, or other sum of money then due and payable to Manager hereunder as of the date of such cancellation, or (ii) any obligation of Manager to remit moneys to Owner or to complete its obligations hereunder to the date of such cancellation. Manager shall cooperate with Owner to ensure a smooth and efficient transition to a new managing Manager, including but not limited to, prompt delivery of files relating to the Property.

15. Manager agrees to 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 Manager, 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 Manager's performance of its duties hereunder; and

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

16. Manager shall furnish Owner with evidence that Manager has in force during the term of this Agreement liability insurance (in amounts not less

than \$1,000,000 per occurrence and \$3,000,000 in the aggregate) and will maintain these limits throughout the term of this Agreement.

17. It is expressly agreed by the parties that:

17.1. 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.

17.2. 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.

17.3. 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.

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

17.5. 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.

17.6. 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.

17.7. 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:

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As to Owner: Halifax Plaza Associates, LP
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, New York 11050
Attention: Leo S. Ullman

With a copy to: Kimco Realty Corporation
4979 Old Street Road
Trevose, Pennsylvania 19053
Attention: Mr. John Greenwood

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

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

17.9. This Agreement shall not be deemed at any time to be an interest in real estate or a lien of any kind against the Property. The rights of Manager created hereby shall not run with the land. The rights of Manager hereunder shall at all times be subject and subordinate to any mortgage encumbering any or all of the Property and Manager agrees to execute from time to time documents required by a Mortgagee to confirm the foregoing subordination.

17.10. Manager's relationship to Owner is strictly and solely that of an independent contractor. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture between Manager and Owner.

17.11. Neither the Owner nor any present or future member, manager, officer, director, employee, representative or agent of Owner shall have any personal liability of any kind or nature whatsoever arising under this agreement, and the liability of the Owner (and any present or future partner of

Owner) for its obligations under this agreement shall be limited solely to Owner's interest in the Property and Manager shall look solely to the Property (and the cash flow therefrom) for the enforcement of Manager's rights hereunder.

17.12. This Agreement may not be amended, altered or modified except by written instruments signed by Owner and Manager and consented to by Owner's Partners.

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17.13. This Agreement may be executed in one or more counterparts (and by different parties hereto on different counterparts), each of which will constitute an original, but all of which when taken together shall constitute a single contract. A facsimile signature shall for all purposes be deemed to be an original signature, and either party hereto shall forward to the other party an original signature if required by the other party.

18. Manager acknowledges that Owner has obtained a loan from Citizens Bank of Pennsylvania ("Lender") in the principal amount of up to \$4,265,000 (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) except as otherwise provided in the Loan Agreement, 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 Manager is unsatisfactory to Lender, in each case upon thirty (30) days prior written notice to Manager;
- (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) Manager 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 Manager to Owner hereunder.

[Remainder of Page Blank; Signatures Follow]

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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.

MANAGER

BRENTWAY MANAGEMENT LLC

By: _____
Brenda J. Walker
President

OWNER

HALIFAX PLAZA ASSOCIATES, L.P.

By: CIF-Halifax Plaza Associates,
LLC, its general partner

By: Cedar Income Fund Partnership,
L.P., its sole member

By: Cedar Income Fund, Ltd.,
its general partner

By: _____
Brenda J. Walker
Vice President

BILL OF SALE

This Bill of Sale is made and executed this _____ day of _____, 2003, by MARK G. CALDWELL t/d/b/a CALDWELL DEVELOPMENT COMPANY, having a principal place of business at 434 North Front Street, Wormleysburg, Cumberland County, Pennsylvania ("Seller"), to HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, having offices at c/o Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Port Washington, New York 11050 ("Buyer").

Recitals:

A. Seller has agreed to convey to Buyer all of Seller's interest in and to that certain tract of land more particularly described on Exhibit "A", attached hereto and made a part hereof, and being commonly known as Halifax Plaza Shopping Center, Halifax Township, Pennsylvania (the "Property").

B. Seller desires to assign, transfer, and convey to Buyer, subject to the terms and conditions of this Agreement, all fixtures, equipment, apparatus, machinery, appliances, furnishings, books and records (including computer-stored data, programs, etc.) and other tangible personal property, wherever located, owned by Seller and used in connection with Seller's operation and all leasehold improvements located thereon, but excluding, however, any and all personal property owned or leased by tenants of the Property (other than personal property leased by tenants from Seller) and any leasehold improvements that any such tenant may, pursuant to the terms of its lease, have the right to remove from its demised premises (all such property not so expressly excluded being hereinafter collectively referred to as the "Personal Property").

NOW, THEREFORE, in consideration of the receipt of Ten and 00/100 (\$10.00) Dollars and other good and valuable consideration in hand paid by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged by Seller, Seller does hereby grant, bargain, sell, assign, transfer, set over, convey and deliver to Buyer, its legal representatives, its successors, and its assigns, effective as of the date set forth hereinabove, all of Seller's right, title, and interest in and to the Personal Property.

And for the same consideration, Seller hereby covenants with Buyer, its legal representatives, its successors, and its assigns that the Personal Property is free of all encumbrances and that Seller does warrant and will forever defend the same to Buyer, its legal representatives, its successors, and its assigns against the lawful claims and demands of all persons whatsoever.

IN WITNESS WHEREOF, Seller, by its duly authorized officer, has executed this Bill of Sale.

WITNESS:

MARK G. CALDWELL, t/d/b/a
CALDWELL DEVELOPMENT COMPANY

By: _____

By: _____
Mark G. Caldwell

INDEMNIFICATION AGREEMENT BETWEEN
MARK G. CALDWELL AND HALIFAX PLAZA ASSOCIATES, L.P.

This INDEMNIFICATION AGREEMENT is dated this _____ day of February 2003, and made by and between MARK G. ("Caldwell") and HALIFAX PLAZA ASSOCIATES, L.P. ("Halifax Plaza").

WHEREAS, Caldwell is, contemporaneously with the execution of this Indemnification Agreement, conveying a transfer of title to those certain commercial improvements known as the Halifax Plaza, Peters Mountain Road, Halifax Township, Dauphin County, Pennsylvania (hereinafter, "Premises"), which Premises contains, as an outparcel thereon, a certain McDonald's restaurant (the "McDonald's Premises"), which is leased by Caldwell to McDonald's, the initial Lease being dated May 28, 1993, as amended by Agreements dated May 27, 1994, and July 29, 1994, and Supplement dated March 10, 1995 (collectively, the "Lease"), which is being assigned from Caldwell to Halifax Plaza with the transfer of title to the Premises; and

WHEREAS, the McDonald's Lease contains certain rights of McDonald's to purchase the Premises at a sliding purchase price depending upon the date of exercise of the option to purchase; and

WHEREAS, on August 27, 1998, McDonald's gave notice of exercise of an option to purchase the McDonald's Premises pursuant to Article 14 of the Lease, which date was on or before the expiration of the first five years of the Lease term, noting further that Article 14 of the Lease provides, in pertinent part, the closing of the purchase is to occur ninety (90) days from the giving of notice of exercise of the option; and

WHEREAS, no purchase agreement was signed, although McDonald's and Caldwell engaged in certain discussions concerning amending the Lease and deferring the option to purchase to a later date, whereupon McDonald's and Caldwell reviewed terms to a proposed Amendment to Lease, the proposed terms of which to fix the rent at a sum through October 30, 2014, and revised option to purchase and right of first refusal to purchase, a true and correct copy of which is attached hereto, marked Exhibit "A"; and

WHEREAS, the final form proposed Amendment to Lease was never submitted to Caldwell for execution and was, accordingly, never executed, and McDonald's taking no further action to proceed with closing or the Amendment, the last communication to or from McDonald's concerning the subject being, prior to communication concerning the instant transaction, on or about October 4, 1999; and

WHEREAS, McDonald's was recently contacted relative to the instant transaction between Caldwell and Halifax Plaza, whereupon it claimed that it had exercised the option at the then-option price effective on August 27, 1998; and

WHEREAS, therefore, dispute or potential dispute would appear to exist or may exist in the future with McDonald's relative to whether the August 27, 1998 exercise of the option was a nullity and, if McDonald's wishes to pursue exercise of the option, what price would control; and

WHEREAS, although Caldwell and Halifax Plaza do acknowledge that, according to the McDonald's Lease, McDonald's may have the right in the future to exercise rights to purchase, Caldwell and Halifax Plaza reasonably believe the exercise by McDonald's in August 27, 1998 failed by reason of the lack of action to proceed with subdivision, governmental approval and

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transfer, or otherwise, to further their intended exercise of the right to purchase the Premises and/or execute the Amendment to Lease as hereinbefore referenced and described; and

WHEREAS, Halifax Plaza wishes to proceed with the purchase of the Premises and succeed to the rights and duties of Caldwell with regard to the McDonald's Lease, it has agreed to do so in view of such dispute with McDonald's, only upon Caldwell's entering into this Indemnification Agreement in accord with the specific terms, provisions and limitations hereinafter stated.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, do agree as follows:

1. The parties incorporate the recitals hereinbefore set forth into the body of this Agreement as though same were again set forth where not

inconsistent with the following paragraphs.

2. In the event, at any time after the date of execution and delivery of this Indemnification Agreement, and for a period thereafter not to exceed two (2) years ("McDonald's Claim Period") in the event McDonald's proceeds in any manner to assert, in writing, a claim or takes any such other actions to attempt to proceed with the purchase of the Premises based upon the August 27, 1998 exercise of option, and the option price therein provided, Halifax Plaza shall promptly notify Caldwell, not later than thirty (30) days after receipt of any such notice of McDonald's, of such actions, whereupon Caldwell shall, within ten (10) days of receipt from Halifax Plaza, notify Halifax Plaza in writing that it shall assume responsibility for defense of any such actions or assertions by McDonald's, the cost of which defense and litigation, if required, to be however equally divided between Caldwell and Halifax Plaza. It is noted the

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parties acknowledge that McDonald's has the future and ongoing right to exercise the option to purchase the Premises, but only at the then-stated price in the Lease at the time of the exercise and timely purchase of the McDonald's Premises. If Caldwell receives any notices, it shall likewise timely share same with Halifax Associates. Caldwell and Halifax Plaza agree that neither shall intentionally initiate any communications in any form and manner with McDonald's to address the subject option or any matters in this Indemnification Agreement during the term of the McDonald's Claim Period, except in response to any claim relating thereto initiated by McDonald's, in which event copies of such claims shall be furnished to the other party, absent written prior notice and receipt of written consent from the other party.

3. Halifax Plaza shall have the opportunity to participate with its own attorneys and advisors in any such defense and litigation, but so long as Caldwell is timely and responsibly fulfilling its obligations pursuant to this Indemnification Agreement to defend hereunder, such further attorneys and consultants of Halifax Plaza shall be at its own cost. It is further noted that the above-referenced time frame shall not release or terminate Caldwell's to defend and indemnify Halifax Plaza by virtue of excusable late notice, unless such late notice would materially prejudice Caldwell's ability to defend any such actions or claims of McDonald's.

4. A. Indemnification. Furthermore, in the event McDonald's would prevail by final or appealable decree, judgment, or by agreement of McDonald's, Caldwell and Halifax Plaza, that would result in determination or agreement that the option price in effect in August 27, 1998 is the applicable price for purchase of the McDonald's Premises, Caldwell will indemnify Halifax Plaza for the difference between such price and the sum of \$360,000 (such amount, the "Price Differential"), provided that the maximum limit of Caldwell's indemnification under this

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Agreement shall not exceed \$60,000 plus Caldwell's one-half of the attorneys' fees and costs of defending against McDonald's attempt to enforce its option. Caldwell shall pay the Price Differential to Halifax on the date that Halifax shall be required to convey title to the McDonald's Premises to McDonald's for a purchase price less than \$360,000. If, however, the McDonald's Premises cannot be separately subdivided from the remainder of the Halifax Plaza Shopping Center and therefore under the terms of the McDonald's lease, McDonald's is entitled to receive a new lease for the maximum term allowed by law upon payment of a sum less than \$360,000, Caldwell shall pay the Price Differential to Halifax upon the execution of such new lease, provided the maximum limit of Caldwell's obligation shall not exceed \$60,000, plus one-half (1/2) of any legal costs to defend against McDonald's attempt to enforce its option.

B. Letter of Credit. For the purpose of securing the performance of Caldwell's indemnification obligations to Halifax Plaza under this Indemnification Agreement, Caldwell is hereby delivering to Halifax Plaza with this Indemnification Agreement an unconditional irrevocable stand-by letter of credit in the sum of \$60,000 from a commercial bank or savings and loan association having a branch where such letter of credit may be presented for payment in the County of Dauphin, such letter of credit to be in the form of Exhibit "A" attached hereto and made a part hereof (the "Letter of Credit"). The Letter of Credit shall have an expiration date no earlier than one (1) year from the execution and delivery of this Indemnification Agreement. Halifax Plaza shall have the right to draw down the Letter of Credit in accordance with the provisions of subparagraph C hereof. The Letter of Credit, if not drawn upon by Halifax Plaza by reason of Caldwell's default hereunder, shall be returned to Caldwell following the expiration of the McDonald's Claim Period, provided that

such other action to attempt to proceed with the purchase of the Premises during the McDonald's Claim Period, or (ii) in the event McDonald's has asserted, claimed or taken such other action to attempt to proceed with the purchase of the Premises during the McDonald's Claim Period, upon the complete fulfillment of Caldwell's obligations hereunder, including, but not limited to, its indemnification of Halifax Plaza for the McDonald's Purchase Price Differential.

C. Renewal and Replacement Letter of Credit. (1) Caldwell shall renew or replace the Letter of Credit at least thirty (30) days prior to its expiration date with a renewal or replacement Letter of Credit complying with the terms of this paragraph and having an expiration date no earlier than one (1) year from its issuance, and will thereafter renew or replace such renewal or replacement Letter of Credit and each succeeding Letter of Credit thirty (30) days prior to its expiration, so that a Letter of Credit complying with the terms of this Indemnification Agreement shall continuously remain in effect until the later to occur of (i) the expiration of the McDonald's Claim Period (provided that McDonald's has not, subsequent to the date of this Indemnification Agreement, asserted, claimed or taken such other action to attempt to proceed with the purchase of the Premises during the McDonald's Claim Period for a purchase price less than \$360,000), or (ii) in the event McDonald's has asserted, claimed or taken such other action to attempt to proceed with the purchase of the Premises during the McDonald's Claim Period for a purchase price less than \$360,000, the complete fulfillment of Caldwell's obligations hereunder, including, but not limited to, its indemnification of Halifax Plaza for the McDonald's Purchase Price Differential, but which may also include the legal challenge to any such claim asserted by McDonald's, in which event the McDonald's Claim Period would expire upon final and unappealable dismissal of the McDonald's claim.

(2) In addition to its obligations to do so under subparagraph B and subparagraph (1) of this subparagraph C, Tenant shall replace the Letter of Credit within five (5) days of receipt of written notice from Halifax Plaza that the issuer has (i) entered into a supervisory agreement or consent order with the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, or any other state or federal regulatory authority with jurisdiction such issuer; or (ii) become subject to an order or directive of any of the foregoing authorities with respect to the regulation of its activities; or (iii) notified Halifax Plaza that it shall not (A) honor a draw under the Letter of Credit; or (B) renew or extend the Letter of Credit beyond its then current expiration date.

D. Halifax Plaza's Draw Down of Letter of Credit. Halifax Plaza shall have the absolute right to draw on the Letter of Credit in full immediately upon the occurrence of any of the following:

(a) Caldwell's failure to renew or replace the Letter of Credit in accordance with this Paragraph 3, which failure is not cured within two (2) business days following written notice to Caldwell; or

(b) Caldwell's failure to promptly take, within twenty (20) days after notice thereof from Halifax, such actions as Caldwell may reasonably deem appropriate to defend any action brought by McDonald's for specific performance of its purchase option or for declaratory relief as to the option price or any other action brought by McDonald's relating to an attempt to purchase the Premises for a purchase price less than \$360,000 (e.g., Caldwell's failure to confirm that it will file responsive pleadings within the time periods.)

(c) Caldwell's failure to pay its share of the costs of defense as referred to in this Agreement, which failure is not cured within twenty (20) business days following receipt of written notice from Halifax Plaza to Caldwell; or

(d) Caldwell's failure to pay the McDonald's Price Differential to Newport Plaza, as herein provided, on or before the

applicable date required herein, and failure is not cured within twenty (20) days after receipt of notice from Halifax Plaza to Caldwell. 5. Any notice pursuant to this Indemnification Agreement shall be validly given, if

in writing, sent by recognized national overnight delivery service or in person, in which event the date of service is the day of delivery, or by pre-paid registered or certified mail, restricted delivery, return receipt requested, in which event the date of service shall be the date of acceptance or refusal addressed to:

If to Halifax Associates:

Halifax Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue
Port Washington, New York 11050

With a copy to:

Warren S. Sacks, P.C.
707 Westchester Avenue, Suite 303
White Plains, NY 10604

If to Caldwell:

Caldwell Development, Inc.
434 North Front Street
Wormleysburg, PA 17043

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With a copy to:

James R. Clippinger, Esquire
Caldwell & Kearns
3631 North Front Street
Harrisburg, PA 17110

6. Other than as herein set forth, Caldwell shall have no other obligation to Halifax Associates, or its predecessor, Cedar Income Fund Partnership, LP, in any manner, form or regard with regard to the McDonald's Lease.

7. The rights created by this Indemnification Agreement shall inure to the benefit of, and the obligations created hereby shall be binding upon the successors and assigns of the parties hereto.

8. This Indemnification Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

9. This Indemnification Agreement may be amended only by the writing signed by all the parties hereto.

10. If any provisions of this Indemnification Agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and to this end, the provisions hereof are severable.

11. This Indemnification Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on the day and year first above written. WITNESS:

By: _____
Mark G. Caldwell

ATTEST: HALIFAX PLAZA ASSOCIATES, L.P

By: _____

Title: _____

LOAN AGREEMENT

THIS LOAN AGREEMENT is made this _____ day of _____, 2003, to be delivered on _____, 2003, by and between HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership (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 8.5 acres of land located at 3761-3777 Peter's Mountain Road in Halifax Township, Dauphin County, Pennsylvania (the "Premises"), as more fully described in Exhibit A attached hereto and made a part hereof, and the improvements thereon including buildings containing a total of approximately 54,150 square feet (collectively, the "Improvements"), together comprising a retail shopping center known as "Halifax Plaza". 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 Four Million Two Hundred Sixty Five Thousand Dollars (\$4,265,000) (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 (i) the LIBOR Lending Rate plus two hundred ten (210) basis points at all times from and after the Closing Date unless and until the first date after the Closing Date on which the Standard & Poor's Credit Rating for the Giant Lease Guarantor is lower than BBB-, or (ii) the LIBOR Lending Rate plus two hundred fifty (250) basis points at all times from and after the first date following the Closing Date on which the Standard & Poor's Credit Rating for the Giant Lease Guarantor is lower than BBB-.

"Adjusted Prime Rate" means (i) the Prime Rate minus seventy five (75) basis points at all times from and after the Closing Date unless and until the first date after the Closing Date on which the Standard & Poor's Credit Rating for the Giant Lease Guarantor is lower than BBB-, or (ii) the Prime Rate minus thirty five (35) basis points at all times from and after the first date following the Closing Date on which the Standard & Poor's Credit Rating for the Giant Lease Guarantor is lower than BBB-.

"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.

"Agreement of Sale" means the Agreement for the Sale of Real Estate dated August 2002 between Cedar Operating Partnership, as purchaser, and Mark G. Caldwell, t/d/b/a Caldwell Development Company, as seller, providing for the

sale of the Premises and Improvements for the sum of \$5,240,000.

"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.

"Assignments of Lease" has the meaning ascribed to such term in Section 2.3.

"Borrower" has the meaning ascribed to such term in the preamble of this Agreement.

"Broker" means, collectively, Phillip Deeter and iCap Realty Advisors.

"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.

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"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.

"Cedar REIT's Financial Statements" means the Consolidated Balance Sheets of Cedar Income Fund, Ltd., and the Related Consolidated Statements of Operation, Shareholders' Equity and Cash Flows prepared in accordance with GAAP.

"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.

"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 Adjusted 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.

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"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.

"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.

"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.

"Giant Lease" means the Ground Lease Agreement between Borrower, as successor landlord, and Giant Food Stores, Inc., as tenant, dated July 27, 1993, as amended November 1, 1994, covering approximately 32,000 square feet of leasable space on the Premises, as guaranteed by a Lease Guaranty dated July 27, 1993 executed by Giant Lease Guarantor.

"Giant Lease Guarantor" means Koninklijke Ahold NV, a Netherlands company.

"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 Agreements.

"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.

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"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 Agreements" has the meaning ascribed to such term in Section 2.3

"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 of this Agreement.

"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.

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"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:

$$\text{LIBOR Lending Rate} = \frac{\text{LIBOR Rate}}{(1.00 - \text{LIBOR Reserve Percentage})}$$

"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' 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.

"Maturity Date" has the meaning ascribed to such term in Section 4.1.

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"McDonald's Lease" means the Ground Lease Agreement between Borrower,

as successor landlord, and McDonald's Corporation d/b/a Delaware McDonald's Corporation, as tenant, dated May 28, 1993, covering the McDonald's Premises.

"McDonald's Premises" means a parcel of land containing approximately 27,500 square feet comprising a portion of the Premises.

"McDonald's Tenant" means McDonald's Corporation d/b/a Delaware McDonald's Corporation.

"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 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 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.

"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.

"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 Article 3 and ending on (but excluding) the date when such Prime Rate Loan is converted into a LIBOR Rate Loan pursuant to Article 3.

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"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.

"Principal Payment Date" means the last Business Day of each calendar month.

"Project" has the meaning ascribed to such term in the Background of this Agreement.

"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.

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).

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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 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;

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(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;

(e) One or more Agreements dated this date (as amended, modified or supplemented from time to time, the "Interest Rate Protection Agreements") executed by Borrower and Lender pursuant to which the interest rate applicable to 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 Maturity Date, subject to the provision that if Borrower makes a prepayment on account of the Loan as a result of the sale of the McDonald's Premises pursuant to Section 2.5, the effective interest rate conversion with respect to an amount equal to the McDonald's Sale Prepayment Amount of the Advance shall terminate on such sale.

(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 Agreements), 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.

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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 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.

2.5. Release of Security. Lender shall release the McDonald's Premises from the lien of the Mortgage at the time of and in conjunction with the closing for the sale of the McDonald's Premises by Borrower to the McDonald's Tenant pursuant to the McDonald's Lease, subject to the satisfaction of the following conditions:

(a) Lender shall have received evidence satisfactory to it that

the McDonald's Premises is a legally subdivided parcel of land which can be transferred and conveyed separately from and independently of the balance of the Premises;

(b) The McDonald's Lease is terminated at the time of the closing for the sale of the McDonald's Premises and Borrower and Lender are released from any and all liability in connection with the McDonald's Lease;

(c) Borrower pays to Lender as a prepayment on account of the Loan (which prepayment shall not require payment of any LIBOR Rate Loan Prepayment Fee) an amount (the "McDonald's Sale Prepayment Amount") equal to the greater of (i) \$300,000 or (ii) the net proceeds from such sale ("net proceeds", for this purpose, meaning the gross sales price, less and except only Borrower's portion of applicable transfer taxes, Borrower's sales commission and normal pro-rations and adjustments);

(d) Borrower pays all reasonable costs and expenses incurred by Lender in connection with reviewing the conditions for such release, the preparation of appropriate documentation and recording fees; and

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(e) 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 date of such closing.

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 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 Rate 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 Maturity Date 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 days elapsed. Interest for any period shall be calculated from and including the first day thereof to but excluding the last day thereof.

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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 or of 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.

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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 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.

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ARTICLE 4 LOAN PAYMENT PROVISIONS; MATURITY DATE

4.1. Interest and Principal Payments; Maturity Date.

(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.

(b) Installments on account of the unpaid principal balance of the Loan outstanding from time to time shall be payable on each Principal Payment Date beginning with the first Principal Payment Date following the Closing Date. The amount of each such installment shall be Seven Thousand Five Hundred Dollars (\$7,500).

(c) 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 eighty-four (84) months after the Closing Date ("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 and Borrower shall have the obligation to prepay a portion of the unpaid principal balance of the Loan subject to and in accordance with Section 2.5, in either case 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 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:

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(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, and (iii) then to the outstanding principal balance of the Loan, which payments shall be applied to principal installments in the inverse order of their maturity. The acceptance of any prepayment (other than full payment) 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.

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(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 partnership duly formed, validly existing and in good standing under the laws of the State of Delaware, has the power and authority to own and operate the Project, and has qualified to transact business in, and is validly subsisting under the laws of, the Commonwealth of Pennsylvania. The sole general partner of Borrower is CIF-Halifax Plaza Associates, LLC, a Delaware limited liability company, and the sole limited partner of Borrower is Fairport Associates, L.P., a Delaware limited partnership. True and correct copies of Borrower's Partnership Agreement and 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 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) CIF-Halifax Plaza Associates, LLC is a single purpose limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and has the power and authority to act as the sole general partner of Borrower. The sole member of CIF-Halifax Plaza Associates, LLC is Cedar Operating Partnership. True and correct copies of CIF-Halifax Plaza Associates, LLC'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 CIF-Halifax Plaza Associates, LLC has been offered, issued, distributed or sold in violation of any state or federal securities laws.

(iii) Fairport Associates, L.P. is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Delaware, and has the power and authority to act as the sole limited partner of Borrower. CIF-Fairport Associates, LLC, a Delaware limited liability company, is the sole general partner and the legal and beneficial owner of at least 17.6% of the ownership interests of Fairport Associates, L.P. True and correct of Fairport Associates, L.P.'s Partnership Agreement and 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 Fairport Associates, L.P. has been offered, issued, distributed or sold in violation of any state or federal securities laws.

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(iv) CIF-Fairport Associates, LLC is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and has the power and authority to act as the sole general partner of Fairport Associates, L.P. The sole member of CIF-Fairport Associates, LLC is Cedar Operating Partnership. True and correct copies of CIF-Fairport

Associates, LLC'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 CIF-Fairport Associates, LLC has been offered, issued, distributed or sold in violation of any state or federal securities laws.

(v) Cedar Operating Partnership is a limited partnership duly formed, validly existing 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 CIF-Halifax Plaza Associates, LLC and CIF-Fairport Associates, LLC. 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 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.

(vi) 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.

(vii) 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.

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(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) There is no suit, action, proceeding or investigation pending or, to the knowledge of Borrower, threatened against or affecting Borrower or, to the best of Borrower's knowledge after diligent inquiry, 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 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, to the best of Borrower's knowledge after diligent inquiry, result in the creation or imposition of any lien, charge or encumbrance upon part of the Project.

(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.

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(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).

(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 aggregate purchase price paid by Borrower for the Project was \$5,240,000. 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.

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(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 the Giant Lease and the McDonald's Lease. Except for the Existing Leases, the Project is not subject to any other leases, occupancy rights or similar arrangements. To the best of Borrower's 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 after diligent inquiry, 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. Except for the McDonalds Lease, none of the Existing Leases contains any options or rights of first refusal to purchase any portion or all of the Project in favor of a tenant. 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 Net Operating Income (based upon such rent roll and such historical operating expenses) is equal to or more than \$490,000 and the Debt Service Coverage Ratio is more than 1.25 to 1.

(d) Borrower has delivered to Lender a true, correct and complete copy of the Management Agreement dated the date of this Agreement 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) 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.

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(f) To the best of Borrower's knowledge after diligent inquiry, the Premises abut and has direct access to a legally open public right of way. All streets necessary for the full utilization of the Project for its intended purposes have been completed. All costs of street improvements to be completed by Borrower have been paid.

(g) To the best of Borrower's knowledge after diligent inquiry, 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, and all costs for installing and connecting such utilities (including tap-in and connection fees) have been paid.

(h) To the best of Borrower's knowledge after diligent inquiry, 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.

ARTICLE 6
COVENANTS

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, on 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;

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(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.

All such financial information shall be in a form reasonably acceptable to Lender.

6.2. Financial Covenants.

(a) (i) 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.

(ii) For purposes hereof: (A) "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, as shown (absent error) on the line captioned "Total Shareholders' Equity in the Company and limited partner's (equity) interest in Operating Partnership and minority interest" on Cedar REIT's Financial Statements; and (B) "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, as shown (absent error) on the line captioned "[unrestricted] cash and cash equivalents" on Cedar REIT's Financial Statements.

(b) At all times during the term of the Loan, the Debt Service Coverage Ratio shall be equal to or more than 1.25 to 1. The financial information provided with respect to Borrower pursuant to Section 6.1 shall include an annual Debt Service Coverage Determination. Compliance or non-compliance, as the case may be, with the foregoing Debt Service Coverage Ratio requirement shall be certified by Guarantors.

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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), and (ii) the financial covenant set forth in Section 6.2(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 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 Project 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 Project, 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 principal and interest payments which would be made under the Loan for the immediately following twelve (12) month period (in the case of the interest payments, based upon and assuming an interest rate equal to the interest rate applicable under the Interest Rate Protection Agreements plus the Adjusted LIBOR Rate spread applicable to the Loan on the effective date of the Debt Service Coverage Determination). 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.

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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

(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 limited partnership, and shall maintain CIF-Halifax Plaza Associates, LLC as its sole general partner and Fairport Associates, L.P., as its sole limited partner. Borrower shall not permit CIF-Halifax Plaza Associates, LLC or Fairport Associates, L.P. to pledge, assign or grant a security interest in or otherwise transfer any ownership interest in Borrower except as may be otherwise

specifically permitted in Section 6.6.

(ii) Borrower shall cause Fairport Associates, L.P. to maintain its existence as a Delaware limited partnership and to maintain CIF-Fairport Associates, LLC as its sole general partner and the legal and beneficial owner of at least 17.6% of the ownership interests of Fairport Associates, L.P.

(iii) Borrower shall cause CIF-Halifax Plaza Associates, LLC and CIF-Fairport Associates, LLC each to maintain its existence as a Delaware limited partnership and to maintain Cedar Operating Partnership as its sole member. Borrower shall not permit Cedar Operating Partnership to pledge, assign or grant a security interest in or otherwise transfer any ownership interest in CIF-Halifax Plaza Associates, LLC or CIF-Fairport Associates, LLC except as may be otherwise specifically permitted in Section 6.6.

(iv) 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.

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(v) 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 Partnership Agreement or Certificate of Limited Partnership promptly after any such changes, and Borrower shall not change such Partnership Agreement or Certificate of Limited Partnership 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 or payments (whether in the nature of a return of capital, a loan payment, an interest payment, a return on capital, a distribution of profits or otherwise) to any of its partners or Affiliates, unless in each case such distribution is otherwise in compliance with the Loan Documents and there is no Event of Default or event which, with the giving of notice or the passage of time, or both, could be an 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 limited partner interests in Borrower and Fairport Associates, L.P. so long as Cedar Operating Partnership (i) remains the owner, directly or indirectly, of at least 1% of the ownership interests in Borrower and (ii) controls the management of Borrower. 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.

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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 and all extensions and renewals thereof, (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, 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 Project 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. Borrower shall deliver to Lender a copy of each Approved Lease within five (5) Business Days after it is fully executed. 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 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.

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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 Section 6.10 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 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.

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(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 for and during such period of non-compliance.

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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 \$44,000 ("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 ADVANCE

The making of the Advance of the Loan by Lender to Borrower 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 a fair market value for the Project on an "as is" basis which is acceptable to Lender, 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 Improvements, which report shall be satisfactory in form and substance to Lender and performed at Borrower's expense by an independent engineer acceptable to Lender.

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(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 surveys 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 (except to the extent the McDonald's Premises is currently also a separate lot for such 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 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.

(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.

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(k) Organizational Documents of Borrower. Copies of Borrower's Partnership Agreement and Certificate of Limited Partnership, together with any amendments thereto, and resolutions or other evidence of authority of CIF-Halifax Plaza Associates, LLC and Fairport Associates, L.P. authorizing the transaction contemplated by this Agreement, certified to be true, correct, and complete by Cedar Operating Partnership, together with a current good standing certificate for Borrower issued by the State of Delaware and a subsistence certificate issued by the Commonwealth of Pennsylvania.

(l) Organizational Documents of CIF-Halifax Plaza Associates, LLC. Copies of CIF-Halifax Plaza Associates, LLC'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 authorizing the transactions contemplated by this Agreement, certified to be true, correct and complete by Cedar Operating Partnership, together with a current good standing certificate for CIF-Halifax Plaza Associates, LLC issued by the State of Delaware.

(m) Organizational Documents of Fairport Associates, L.P. Copies of Fairport Associates, L.P.'s Partnership Agreement and Certificate of Limited Partnership, together with any amendments thereto and resolutions or other evidence of authority of CIF-Fairport Associates, LLC and the limited partners of Fairport Associates, L.P. authorizing the transactions contemplated by this Agreement, certified to be true, correct and complete by Cedar Operating Partnership, together with a current good standing certificate for Fairport Associates, L.P. issued by the State of Delaware.

(n) Organizational Documents of CIF-Fairport Associates, LLC. Copies of CIF-Fairport Associates, LLC'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 authorizing the transactions contemplated by this Agreement, certified to be true, correct and complete by Cedar Operating Partnership, together with a current good standing certificate for CIF-Fairport Associates, LLC issued by the State of Delaware.

(o) 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 a current good standing certificate for Cedar Operating Partnership issued by the State of Delaware.

(p) 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 a current good standing certificate for Existing Manager issued by the State of New York and a current subsistence certificate for Existing Manager issued by the Commonwealth of Pennsylvania.

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(q) 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.

(r) 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. Leases. Lender shall have approved all Existing Leases and each

tenant thereunder shall have executed an Estoppel Certificate and Subordination, Non-Disturbance and Attornment Agreement in form and substance satisfactory to Lender (except in the case of the McDonald's Tenant, in which case Borrower shall have provided information and assurances in form and substance satisfactory to Lender). All other leases in the Project shall be Approved Leases.

7.4. 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.

7.5. Borrower Equity. Borrower shall have furnished to Lender evidence satisfactory to Lender that Borrower has expended from its own funds (a) at least twenty percent (20%) of the aggregate purchase price of the Project and (b) one hundred percent (100%) of all other amounts payable in connection with the purchase of the Project and the closing of the Loan.

7.6. 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), as to subsections 5.1(c), 5.1(e), 5.2(f), 5.2(g) and 5.2(h) without giving effect to any qualifications therein as to its or their knowledge;

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(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 8.1 (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 Maturity Date (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 document, instrument or agreement, evidencing, securing, governing or otherwise relating to the loan dated this date, in the maximum principal amount of \$5,440,000, from Lender to Newport Plaza Associates, L.P., d/b/a Newport Plaza Shopping Center.

(f) 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;

(g) 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;

(h) Borrower or either Guarantor shall have made an assignment for the benefit of its creditors;

(i) There shall have occurred a material adverse change in the financial condition of Borrower or either Guarantor, as determined by Lender; or

(j) 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.

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8.2. Remedies. Upon the occurrence of any Event of Default beyond any applicable cure periods, 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 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;

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(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) During the continuance of any Event of Default beyond any applicable cure periods and for so long as such Event of Default remains uncured, 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.

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 (certified, return receipt requested) 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:

Halifax Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Attention: Mr. Leo 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

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, upon delivery or, if delivery is refused, on date delivery is first attempted, and (c) if given by any other means (including by air courier), when delivered.

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

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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 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

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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 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 9.9(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.

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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.

(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;

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(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.

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.

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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. 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.

(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,

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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.

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.

HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, by its sole general partner, as follows:

CIF-Halifax Plaza Associates, 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: _____
Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

CITIZENS BANK OF PENNSYLVANIA

By: _____
Robert L. Schopf
Vice President

Exhibit A

Legal Description of Premises

Exhibit B

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LOAN AGREEMENT

Dated _____, 2003

by and between

HALIFAX PLAZA ASSOCIATES, L.P., as Borrower

and

CITIZENS BANK OF PENNSYLVANIA, as Lender

PROMISSORY NOTE

\$4,265,000

Harrisburg, Pennsylvania

To be delivered on _____, 2003
_____, 2003

FOR VALUE RECEIVED, the undersigned, HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, 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 FOUR MILLION TWO HUNDRED SIXTY FIVE THOUSAND DOLLARS (\$4,265,000), 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 PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES AND THE COMMONWEALTH OF PENNSYLVANIA.

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 COMMON WEALTH 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.

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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.

HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, by its sole general partner, as follows:

CIF-Halifax Plaza Associates, 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:

Stuart H. Widowski
Secretary

By:

Brenda J. Walker
Vice President

OPEN-END MORTGAGE AND SECURITY AGREEMENT

(THIS MORTGAGE SECURES FUTURE ADVANCES)

THIS OPEN-END MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") is made this ____ day of _____, 2003, to be delivered on _____, 2003, between HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership ("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 principal amount of up to Four Million Two Hundred Sixty Five Thousand Dollars (\$4,265,000) (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 principal amount of Four Million Two Hundred Sixty Five Thousand Dollars (\$4,265,000).

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 Four Million Two Hundred Sixty Five Thousand Dollars (\$4,265,000) 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 known as Halifax Plaza located at 3761-3777 Peter's Mountain Road in Halifax Township, Dauphin 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 54,150 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.

(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, "Halifax Plaza".

(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, and Mortgagee shall execute and deliver to Mortgagor instruments of release or satisfaction in form and substance sufficient to record in the public land records to release or satisfy all such liens of

record, 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

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Mortgagee by reason of the occurrence of an Event of Default and the priority of 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. (a) Mortgagor owns and possesses good and marketable fee simple title to the Premises and Improvements, 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. D359771CP, issued by Commonwealth Land 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 partnership 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

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as the enforceability thereof maybe limited by bankruptcy, insolvency or other 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. 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) 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 Site Assessment dated August 22, 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 Mortgagor'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. Except as may be set forth in Exhibit B, 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 Mortgagor'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.

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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 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

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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

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 (or cause to be taken) 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 (or caused to be 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

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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 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.

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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 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 to the extent not covered by insurance maintained or caused to be maintained by Mortgagor; (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 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 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 Partnership Existence and Filings.

(a) Mortgagor shall keep in effect its existence and rights as a limited partnership 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

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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 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 shall furnish (or caused to be furnished) 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 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 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 (or cause to be delivered) to Mortgagee original certificates evidencing such insurance, together with copies of such policies, on or before the date hereof. Not less than fifteen (15) days prior to the expiration date of each such policy, Mortgagor will deliver (or cause to be delivered) to Mortgagee original certificates evidencing renewal of such insurance, together with copies of renewal policies. Such certificates and policies shall be 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. Notwithstanding the foregoing, however, Mortgagee shall give reasonable prior notice to Mortgagor of such any such insurance settlement, and shall not adjust or settle any loss without Mortgagor's prior written consent (which shall

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not be unreasonably withheld, conditioned or delayed), unless an Event of Default has occurred and is continuing. Each insurance company concerned is hereby authorized and directed to rely without inquiry upon Mortgagee's statement that an Event of Default has occurred and is continuing.

(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, 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 mortgagee endorsement. Mortgagor

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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 actually received (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 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

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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 Maturity Date, (iv) the insurers do not deny liability as to the insureds, (v) in the case of casualty to the premises under the Giant lease, the Giant lease requires restoration, and (vi) if the proceeds exceed \$250,000 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.

(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.

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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. 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.

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

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 Maturity Date (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;

(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 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

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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 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

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OR STRIKE OFF JUDGMENT, OR OTHER OBJECTION SHALL BE FILED OR MADE WITH RESPECT

THERE TO. 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.

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)

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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 appraisalment of any of the Mortgaged Property.

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

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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.

(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.

(d) A portion of the Mortgaged Property may be released from the lien of this Mortgage subject to and in accordance with the provisions of Section 2.5 of the Loan Agreement.

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 (certified, return receipt requested) 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:

Halifax Plaza Associates, 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 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, upon delivery or, if delivery is refused, on the date delivery is first attempted, 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

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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.

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IN WITNESS WHEREOF, Mortgagor has caused these presents to be duly executed under seal, the day and year first above written.

HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, by its sole general partner, as follows:

CIF-Halifax Plaza Associates, 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:

Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

The address of the within-named Mortgagee is:

Citizens Bank of Pennsylvania

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made this ___ day of _____, 2003, to be delivered on _____, 2003, by HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership ("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 up to Four Million Two Hundred Sixty Five Thousand Dollars (\$4,265,000) (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 known as Halifax Plaza located at 3761-3777 Peter's Mountain Road in Halifax Township, Dauphin 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 to the extent that they can lawfully be assigned;

(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 beyond any applicable cure periods).

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 terminate or accept a surrender of any Lease other than by its terms or

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 when due in all material respects, 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.

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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:

(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 beyond any applicable cure periods; 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

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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 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.

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IN WITNESS WHEREOF, Assignor has duly executed this Assignment, under seal, as of the day and year first above written.

HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, by its sole general partner, as follows:

CIF-Halifax Plaza Associates, 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: _____
Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

STATE OF _____)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2003, before me a Notary Public in and for the State and County aforesaid, personally appeared Brenda J. Walker and Stuart H. Widowski, who acknowledged themselves to be the Vice President and Secretary, respectively, of Cedar Income Fund, Ltd., a Maryland corporation, the sole general partner of Cedar Income Fund Partnership, L.P., a Delaware limited partnership, the sole member of CIF-Halifax Plaza Associates, LLC, a Delaware limited liability company, the sole general partner of HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, 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 corporation, as sole general partner 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") made this _____ day of _____, 2003, to be delivered on _____, 2003, by and between HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership ("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 up to Four Million Two Hundred Sixty Five Thousand Dollars (\$4,265,000) (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 covering certain land and the buildings and improvements thereon known as Halifax Plaza located at 3761-3777 Peter's Mountain Road in Halifax Township, Dauphin County, Pennsylvania (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 beyond any applicable cure periods;

(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;

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"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 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.

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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"):

- (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 (in the case of tenant security deposits, subject to the rights of tenants), 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

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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 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.

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(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 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 is a party or, to the best of Borrower's knowledge after diligent inquiry, any part of the Project 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.

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(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 or cause to be maintained, 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 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. Borrower shall also comply with all requirements regarding insurance set forth in the Loan Agreement and the Mortgage and, in the event of any conflict between the insurance provisions in this Agreement and such provisions in the Loan Agreement and the Mortgage, such provisions in the Loan Agreement and Mortgage shall govern.

(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.

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(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 (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,

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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 REASONABLE 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

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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 (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 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.

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7. Non-Waiver and Non-Exclusive Remedies.

(a) Non-Exclusive Remedies. Any Event of Default under this Agreement beyond any applicable cure periods 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

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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. 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.

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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 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.

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(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, beyond any applicable cure periods, 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:

HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, by its sole general partner, as follows:

CIF-Halifax Plaza Associates, 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: _____
Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

LENDER:

CITIZENS BANK OF PENNSYLVANIA

By: _____
Robert L. Schopf
Vice President

Schedule A

Location of Collateral

Halifax Plaza
3761-3777 Peter's Mountain Road
Halifax Township, Dauphin County, Pennsylvania

Schedule B

Location of Debtor

Halifax Plaza Associates, L.P.
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 Department of State's Office
2. Dauphin County Recorders Office
3. Delaware Secretary of State's Office

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT ("Agreement") is made this ____ day of _____, 2003, to be delivered on _____, 2003, by HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership ("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 up to Four Million Two Hundred Sixty Five Thousand Dollars (\$4,265,000) (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 covering certain land and the buildings and improvements thereon known as Halifax Plaza located at 3761-3777 Peter's Mountain Road, Halifax Township, Dauphin County, Pennsylvania (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 Site Assessment dated August 22, 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.

(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.

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(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

(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.

(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 commenced 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, as to Lender or any purchaser of an interest or participation in the Loan prior to repayment, 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, upon delivery or, if delivery is refused, on the date delivery is first attempted, 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,

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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.

(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.

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IN WITNESS WHEREOF, Borrower has duly executed this Agreement, under seal, on the date first written above.

HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, by its sole general partner, as follows:

CIF-Halifax Plaza Associates, 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: _____
Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

STATE OF _____)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2003, before me a Notary Public in and for the State and County aforesaid, personally appeared Brenda J. Walker and Stuart H. Widowski, who acknowledged themselves to be the Vice President and Secretary, respectively, of Cedar Income Fund, Ltd., a Maryland corporation, the sole general partner of Cedar Income Fund Partnership, L.P., a Delaware limited partnership, the sole member of CIF-Halifax Plaza Associates, LLC, a Delaware limited liability company, the sole general partner of HALIFAX PLAZA ASSOCIATES, L.P., a Delaware limited partnership, 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 corporation, as sole general partner of the partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

EXHIBIT A

Legal Description

GUARANTY AND SURETYSHIP AGREEMENT

THIS GUARANTY AND SURETYSHIP AGREEMENT (this "Agreement") is made this _____ day of _____, 2003, to be delivered on _____, 2003, 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

Halifax Plaza Associates, L.P., a Delaware limited partnership ("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 up to Four Million Two Hundred Sixty Five Thousand Dollars (\$4,265,000) ("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 covering certain land and the buildings and improvements thereon known as Halifax Plaza located at 3761-3777 Peter's Mountain Road in Halifax Township, Dauphin County, Pennsylvania (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, in the aggregate, Eight Hundred Eighty Three Thousand Dollars (\$883,000) ("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 interest on the Loan;

(c) The payment of all Hedging Obligations; and

(d) 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 until Lender acquires title to the Project by foreclosure or deed in lieu of foreclosure; (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. If any portion of the Guaranteed Obligations is paid by one Guarantor (and so long as such payment or the benefit thereof to Lender is not recovered, revoked or otherwise eliminated or reduced), then the amount of Guaranteed Obligations collectible from both Guarantors, jointly and severally, shall be reduced by the amount of such payment.

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

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(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:

(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;

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(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

(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.

(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.

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(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.

(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

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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.

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

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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.

(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 in the aggregate 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.

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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.

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.

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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.

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.

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(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.

(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), each on a consolidated basis.

(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 effect 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 (certified, return receipt requested) to the respective parties at the following addresses or in accordance with any

subsequent unrevoked written direction from any party to the others:

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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

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.

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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, upon delivery or, if delivery is refused, on the date delivery is first attempted, and (c) if given by any other means (including by air courier), when delivered.

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.

<TABLE>
<CAPTION>
<S>

<C>
CEDAR INCOME FUND, LTD., a Maryland corporation

Attest: _____
Stuart H. Widowski
Secretary

By: _____
Brenda J. Walker
Vice President

CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership, by its sole general partner, as follows:

Cedar Income Fund, Ltd.

By: _____
Brenda J. Walker
Vice President

</TABLE>

STATE OF _____)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2003, before me a Notary Public in and for the State and County aforesaid, personally appeared Brenda J. Walker and Stuart H. Widowski, who acknowledged themselves to be the Vice President and Secretary, 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 corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

STATE OF _____)
) SS
COUNTY OF _____)

On this, the ___ day of _____, 2003, before me a Notary Public in and for the State and County aforesaid, personally appeared Brenda J. Walker, who acknowledged herself to be the Vice President of Cedar Income Fund, Ltd., a Maryland corporation, the sole general partner of CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership, and that as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation, as sole general partner of the partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires:

Date: 11 February 2003

Halifax Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue - Suite 304
Port Washington, New York 11050

Dear Sirs:

Our Reference: CMD00079
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:

<TABLE>	
<CAPTION>	
<S>	<C>
Notional Amount	See Schedule A
Trade Date	06 February 2003
Effective Date	10 February 2003
</TABLE>	

<TABLE>	
<CAPTION>	
<S>	<C>
Termination Date	06 February 2010, subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Amounts
- - - - -

Fixed Rate Payer	Halifax Plaza Associates, L.P.
Fixed Rate Payer Payment Dates	The 6th day of each month from and including 06 March 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Rate	4.33 pct
Fixed Rate Day Count Fraction	Actual / 360

Floating Amounts
- - - - -

Floating Rate Payer	CBPA
Floating Rate Payer Payment Dates	The 6th day of each month from and including 06 March 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate for initial Calculation Period	1.34 pct
Floating Rate Option	USD-LIBOR-BBA
Designated Maturity	1 Month
Spread	None
Floating Rate Day Count 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:	6202093157
Account Name:	Halifax Plaza Associates, L.P.
Bank:	CBPA

</TABLE>

So long as no Event of Default or Termination Event shall have occurred and then be continuing with respect to [Party B], the parties hereto agree that [Party B] may terminate this Transaction by at least [5] Business days prior notice to Party A of its intention to do so, whereupon (a) the obligations of the parties to make any further payments under Section 2(a)(i) of the Agreement in respect of such Transaction shall terminate, (b) the Calculation Agent shall determine a Settlement Amount in accordance with the provisions of the ISDA Master Agreement and provide a statement with respect thereto, and (c) a termination payment shall be made on the Early Termination Date as if such Transaction were a Terminated Transaction and Party B was the Affected Party.

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:
Halifax Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.

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: _____

Name:

Title: Authorized Signatory

Halifax Plaza Associates, L.P.

By: _____

Name:

Title:

SCHEDULE A - CMD00079

Calculation Period		Notional Amount (USD)	
10 February 2003	to	06 March 2003	3,965,000.00
06 March 2003	to	06 April 2003	3,958,028.00
06 April 2003	to	06 May 2003	3,951,056.00
06 May 2003	to	06 June 2003	3,944,084.00
06 June 2003	to	06 July 2003	3,937,112.00
06 July 2003	to	06 August 2003	3,930,140.00
06 August 2003	to	06 September 2003	3,923,168.00
06 September 2003	to	06 October 2003	3,916,196.00
06 October 2003	to	06 November 2003	3,909,224.00
06 November 2003	to	06 December 2003	3,902,252.00
06 December 2003	to	06 January 2004	3,895,280.00
06 January 2004	to	06 February 2004	3,888,308.00
06 February 2004	to	06 March 2004	3,881,336.00
06 March 2004	to	06 April 2004	3,874,364.00
06 April 2004	to	06 May 2004	3,867,392.00
06 May 2004	to	06 June 2004	3,860,420.00
06 June 2004	to	06 July 2004	3,853,448.00
06 July 2004	to	06 August 2004	3,846,476.00
06 August 2004	to	06 September 2004	3,839,504.00
06 September 2004	to	06 October 2004	3,832,532.00
06 October 2004	to	06 November 2004	3,825,560.00
06 November 2004	to	06 December 2004	3,818,588.00
06 December 2004	to	06 January 2005	3,811,616.00
06 January 2005	to	06 February 2005	3,804,644.00
06 February 2005	to	06 March 2005	3,797,672.00
06 March 2005	to	06 April 2005	3,790,700.00
06 April 2005	to	06 May 2005	3,783,728.00
06 May 2005	to	06 June 2005	3,776,756.00
06 June 2005	to	06 July 2005	3,769,784.00
06 July 2005	to	06 August 2005	3,762,812.00
06 August 2005	to	06 September 2005	3,755,840.00
06 September 2005	to	06 October 2005	3,748,868.00
06 October 2005	to	06 November 2005	3,741,896.00
06 November 2005	to	06 December 2005	3,734,924.00
06 December 2005	to	06 January 2006	3,727,952.00
06 January 2006	to	06 February 2006	3,720,980.00
06 February 2006	to	06 March 2006	3,714,008.00
06 March 2006	to	06 April 2006	3,707,036.00
06 April 2006	to	06 May 2006	3,700,064.00
06 May 2006	to	06 June 2006	3,693,092.00

Calculation Period		Notional Amount (USD)
06 June 2006	to 06 July 2006	3,686,120.00
06 July 2006	to 06 August 2006	3,679,148.00
06 August 2006	to 06 September 2006	3,672,176.00
06 September 2006	to 06 October 2006	3,665,204.00
06 October 2006	to 06 November 2006	3,658,232.00
06 November 2006	to 06 December 2006	3,651,260.00
06 December 2006	to 06 January 2007	3,644,288.00
06 January 2007	to 06 February 2007	3,637,316.00
06 February 2007	to 06 March 2007	3,630,344.00
06 March 2007	to 06 April 2007	3,623,372.00
06 April 2007	to 06 May 2007	3,616,400.00
06 May 2007	to 06 June 2007	3,609,428.00
06 June 2007	to 06 July 2007	3,602,456.00
06 July 2007	to 06 August 2007	3,595,484.00
06 August 2007	to 06 September 2007	3,588,512.00
06 September 2007	to 06 October 2007	3,581,540.00
06 October 2007	to 06 November 2007	3,574,568.00
06 November 2007	to 06 December 2007	3,567,596.00
06 December 2007	to 06 January 2008	3,560,624.00
06 January 2008	to 06 February 2008	3,553,652.00
06 February 2008	to 06 March 2008	3,546,680.00
06 March 2008	to 06 April 2008	3,539,708.00
06 April 2008	to 06 May 2008	3,532,736.00
06 May 2008	to 06 June 2008	3,525,764.00
06 June 2008	to 06 July 2008	3,518,792.00
06 July 2008	to 06 August 2008	3,511,820.00
06 August 2008	to 06 September 2008	3,504,848.00
06 September 2008	to 06 October 2008	3,497,876.00
06 October 2008	to 06 November 2008	3,490,904.00
06 November 2008	to 06 December 2008	3,483,932.00
06 December 2008	to 06 January 2009	3,476,960.00
06 January 2009	to 06 February 2009	3,469,988.00
06 February 2009	to 06 March 2009	3,463,016.00
06 March 2009	to 06 April 2009	3,456,044.00
06 April 2009	to 06 May 2009	3,449,072.00
06 May 2009	to 06 June 2009	3,442,100.00
06 June 2009	to 06 July 2009	3,435,128.00
06 July 2009	to 06 August 2009	3,428,156.00
06 August 2009	to 06 September 2009	3,421,184.00
06 September 2009	to 06 October 2009	3,414,212.00

SCHEDULE A - CMD00079

Calculation Period		Notional Amount (USD)
06 October 2009	to 06 November 2009	3,407,240.00
06 November 2009	to 06 December 2009	3,400,268.00
06 December 2009	to 06 January 2010	3,393,296.00
06 January 2010	to 06 February 2010	3,386,324.00

Please be advised that all dates will be subject to adjustment in accordance with the Modified Following Business Day Convention.

Date: 11 February 2003

Halifax Plaza Associates, L.P.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue - Suite 304
Port Washington, New York 11050

Dear Sirs:

Our Reference: CMD00081
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:

<TABLE>	
<CAPTION>	
<S>	<C>
Notional Amount	See Schedule A
Trade Date	06 February 2003
Effective Date	10 February 2003
</TABLE>	

<TABLE>	
<CAPTION>	
<S>	<C>
Termination Date	06 February 2010, subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Amounts
- -----

Fixed Rate Payer	Halifax Plaza Associates, L.P.
Fixed Rate Payer Payment Dates	The 6th day of each month from and including 06 March 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Rate	4.33 pct
Fixed Rate Day Count Fraction	Actual / 360

Floating Amounts
- -----

Floating Rate Payer	CBPA
Floating Rate Payer Payment Dates	The 6th day of each month from and including 06 March 2003 to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.
Floating Rate for initial Calculation Period	1.34 pct
Floating Rate Option	USD-LIBOR-BBA
Designated Maturity	1 Month
Spread	None
Floating Rate Day Count 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:	6202093157
Account Name:	Halifax Plaza Associates, L.P.
Bank:	CBPA

</TABLE>

So long as no Event of Default or Termination Event shall have occurred and then be continuing with respect to [Party B], the parties hereto agree that [Party B] may terminate this Transaction by at least [5] Business days prior notice to Party A of its intention to do so, whereupon (a) the obligations of the parties to make any further payments under Section 2(a)(i) of the Agreement in respect of such Transaction shall terminate, (b) the Calculation Agent shall determine a Settlement Amount in accordance with the provisions of the ISDA Master Agreement and provide a statement with respect thereto, and (c) a termination payment shall be made on the Early Termination Date as if such Transaction were a Terminated Transaction and Party B was the Affected Party.

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:
Halifax Plaza Associates, L.P.

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

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: _____

Name:

Title: Authorized Signatory

Halifax Plaza Associates, L.P.

By: _____

Name:

Title:

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SCHEDULE A - CMD00081

Calculation Period			Notional Amount (USD)
10 February 2003	to	06 March 2003	300,000.00
06 March 2003	to	06 April 2003	299,472.00
06 April 2003	to	06 May 2003	298,944.00
06 May 2003	to	06 June 2003	298,416.00
06 June 2003	to	06 July 2003	297,888.00
06 July 2003	to	06 August 2003	297,360.00
06 August 2003	to	06 September 2003	296,832.00
06 September 2003	to	06 October 2003	296,304.00
06 October 2003	to	06 November 2003	295,776.00
06 November 2003	to	06 December 2003	295,248.00
06 December 2003	to	06 January 2004	294,720.00
06 January 2004	to	06 February 2004	294,192.00
06 February 2004	to	06 March 2004	293,664.00
06 March 2004	to	06 April 2004	293,136.00
06 April 2004	to	06 May 2004	292,608.00
06 May 2004	to	06 June 2004	292,080.00
06 June 2004	to	06 July 2004	291,552.00
06 July 2004	to	06 August 2004	291,024.00
06 August 2004	to	06 September 2004	290,496.00
06 September 2004	to	06 October 2004	289,968.00
06 October 2004	to	06 November 2004	289,440.00
06 November 2004	to	06 December 2004	288,912.00
06 December 2004	to	06 January 2005	288,384.00
06 January 2005	to	06 February 2005	287,856.00
06 February 2005	to	06 March 2005	287,328.00
06 March 2005	to	06 April 2005	286,800.00
06 April 2005	to	06 May 2005	286,272.00
06 May 2005	to	06 June 2005	285,744.00
06 June 2005	to	06 July 2005	285,216.00
06 July 2005	to	06 August 2005	284,688.00
06 August 2005	to	06 September 2005	284,160.00
06 September 2005	to	06 October 2005	283,632.00
06 October 2005	to	06 November 2005	283,104.00
06 November 2005	to	06 December 2005	282,576.00
06 December 2005	to	06 January 2006	282,048.00
06 January 2006	to	06 February 2006	281,520.00
06 February 2006	to	06 March 2006	280,992.00
06 March 2006	to	06 April 2006	280,464.00
06 April 2006	to	06 May 2006	279,936.00

SCHEDULE A - CMD00081

Calculation Period		Notional Amount (USD)	
06 May 2006	to	06 June 2006	279,408.00
06 June 2006	to	06 July 2006	278,880.00
06 July 2006	to	06 August 2006	278,352.00
06 August 2006	to	06 September 2006	277,824.00
06 September 2006	to	06 October 2006	277,296.00
06 October 2006	to	06 November 2006	276,768.00
06 November 2006	to	06 December 2006	276,240.00
06 December 2006	to	06 January 2007	275,712.00
06 January 2007	to	06 February 2007	275,184.00
06 February 2007	to	06 March 2007	274,656.00
06 March 2007	to	06 April 2007	274,128.00
06 April 2007	to	06 May 2007	273,600.00
06 May 2007	to	06 June 2007	273,072.00
06 June 2007	to	06 July 2007	272,544.00
06 July 2007	to	06 August 2007	272,016.00
06 August 2007	to	06 September 2007	271,488.00
06 September 2007	to	06 October 2007	270,960.00
06 October 2007	to	06 November 2007	270,432.00
06 November 2007	to	06 December 2007	269,904.00
06 December 2007	to	06 January 2008	269,376.00
06 January 2008	to	06 February 2008	268,848.00
06 February 2008	to	06 March 2008	268,320.00
06 March 2008	to	06 April 2008	267,792.00
06 April 2008	to	06 May 2008	267,264.00
06 May 2008	to	06 June 2008	266,736.00
06 June 2008	to	06 July 2008	266,208.00
06 July 2008	to	06 August 2008	265,680.00
06 August 2008	to	06 September 2008	265,152.00
06 September 2008	to	06 October 2008	264,624.00
06 October 2008	to	06 November 2008	264,096.00
06 November 2008	to	06 December 2008	263,568.00
06 December 2008	to	06 January 2009	263,040.00
06 January 2009	to	06 February 2009	262,512.00
06 February 2009	to	06 March 2009	261,984.00
06 March 2009	to	06 April 2009	261,456.00
06 April 2009	to	06 May 2009	260,928.00
06 May 2009	to	06 June 2009	260,400.00
06 June 2009	to	06 July 2009	259,872.00
06 July 2009	to	06 August 2009	259,344.00

SCHEDULE A - CMD00081

Calculation Period		Notional Amount (USD)	
06 August 2009	to	06 September 2009	258,816.00
06 September 2009	to	06 October 2009	258,288.00
06 October 2009	to	06 November 2009	257,760.00
06 November 2009	to	06 December 2009	257,232.00
06 December 2009	to	06 January 2010	256,704.00
06 January 2010	to	06 February 2010	256,176.00

Please be advised that all dates will be 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: Leo S. Ullman
President
(516) 767-6492

FOR IMMEDIATE RELEASE:

CEDAR INCOME FUND, LTD. - ANNOUNCES COMPLETION OF PURCHASE OF FAIRVIEW PLAZA
SHOPPING CENTER IN NEW CUMBERLAND, PENNSYLVANIA

Port Washington, New York - January 10, 2003 - Cedar Income Fund, Ltd., a NASDAQ-listed real estate investment trust (the "Company"), today announced that a newly-formed partnership consisting of wholly-owned affiliates of the Company and of Kimco Realty Corporation (NYSE: "KIM") had completed the purchase of Fairview Plaza in New Cumberland (York County), Pennsylvania, a 70,000 sq. ft. shopping center anchored by a 59,000 sq. ft. Giant supermarket. Other tenants include the Pennsylvania Liquor Control Board, Subway and a regional bank.

The purchase price, including closing costs, was approximately \$8.5 million. Financing in the amount of approximately \$6 million has been provided by GE Capital Corp. The parties to the transaction were represented by Cassidy & Pinkard/iCap and Fameco Real Estate Corp.

The Company also expects to close within the month of January on the purchase of Newport Plaza, Newport, PA and Halifax Plaza, Halifax, PA, each also anchored by Giant supermarkets, and also being acquired from affiliates of Caldwell Development Corp. of Wormleysburg, Pennsylvania, as previously reported.

Cedar Income Fund, Ltd. is a real estate investment trust administered by Cedar Bay Realty Advisors, Inc., Port Washington, New York with investments primarily in multi-tenant supermarket-anchored shopping centers in eastern Pennsylvania and southern New Jersey. Shares of Cedar Income Fund, Ltd. are traded on the NASDAQ (Small Cap) Stock Market under the symbol "CEDR".

CEDAR INCOME FUND, LTD.
44 South Bayles Avenue, #304
Port Washington, New York 11050

Contact: Leo S. Ullman
President
(516) 767-6492

FOR IMMEDIATE RELEASE:

CEDAR INCOME FUND, LTD. - ANNOUNCES COMPLETION OF PURCHASE OF NEWPORT PLAZA
AND HALIFAX PLAZA SHOPPING CENTERS IN NEWPORT AND HALIFAX, PENNSYLVANIA

Port Washington, New York - February 6, 2003 - Cedar Income Fund, Ltd., a NASDAQ-listed real estate investment trust (the "Company"), today announced that partnerships controlled by wholly-owned affiliate(s) of the Company had completed, as per previously-reported agreements, the purchase of Newport Plaza, a 67,000 sq. ft. shopping center in Newport, Pennsylvania, and of Halifax Plaza, a 54,000 sq. ft. shopping center in Halifax, Pennsylvania. Each shopping center is anchored by a Giant supermarket. Other tenants at each property include McDonald's, Rite Aid drug stores, Pennsylvania Liquor Control Board retail stores and regional banks.

The aggregate purchase price for the two properties, including closing costs, was approximately \$12.3 million. Financing in the amount of approximately \$9.8 million has been provided by Citizens Bank of Pennsylvania. The sellers are affiliates of Caldwell Development Corp. of Wormleysburg, Pennsylvania. The parties to the transaction were represented by Cassidy & Pinkard/iCap and Fameco Real Estate Corp.

Cedar Income Fund, Ltd. is a real estate investment trust administered by Cedar Bay Realty Advisors, Inc., Port Washington, New York, with investments primarily in multi-tenant supermarket-anchored shopping centers in eastern Pennsylvania and southern New Jersey. Shares of Cedar Income Fund, Ltd. are traded on the NASDAQ (Small Cap) Stock Market under the symbol "CEDR".