

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): NOVEMBER 1, 2004

CEDAR SHOPPING CENTERS, INC.
(Exact name of registrant as specified in its charter)

MARYLAND 0-14510 42-1241468
(State or other jurisdiction (Commission File No.) (IRS Employer
of incorporation) Identification No.)

44 SOUTH BAYLES AVENUE 11050
PORT WASHINGTON, NY (Address of principal executive (Zip Code)
offices)

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

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR
230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR
240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange
Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange
Act (17 CFR 240.13e-4(c))

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

Purchase of Franklin Village Plaza, Franklin, MA.

On November 1, 2004, The Company, through Cedar Shopping Centers Partnership,
L.P. (the "Operating Partnership"), purchased Franklin Village Plaza, in
Franklin, MA. The property is an approximate 253,000 sq. ft. shopping center
with an adjacent approximate 36,000 sq. ft. office building. Stop & Shop is the
principal anchor tenant; other tenants include Marshalls, Radio Shack, Payless,
Bath & Body Works and Applebees. In addition, Stop & Shop has executed a lease
amendment to expand its store from approximately 55,000 sq. ft. to approximately
75,000 sq. ft.

The purchase price, including closing costs, was approximately \$72.5 million.
The acquisition was funded by a \$43.5 million, seven-year, 4.81% interest-only
first mortgage, with the balance funded from the Company's revolving credit
facility.

The information contained herein includes summaries, prepared by management, of
written agreements with respect to the described transactions. Such summaries
are intended to reflect and describe the terms and provisions of various
agreements with respect to such transactions and are subject in each case to the
terms and provisions of the underlying agreements, where applicable, filed
together with this Report.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS FOR
CERTAIN PROPERTY ACQUISITIONS:

Report of Independent Registered Public Accounting Firm

Statement of Revenues and Certain Expenses

Notes to Statement of Revenues and Certain Expenses

Unaudited Pro Forma Condensed Consolidated Balance Sheet As Of June 30,
2004

Unaudited Pro Forma Condensed Consolidated Statements of Income:

For the Year Ended December 31, 2003

For the Six Months Ended June 30, 2004

Notes to Pro Forma Condensed Consolidated Financial Statements

ITEM 7. EXHIBITS:

The following exhibits are included herein:

- (10.1) Agreement of Purchase and Sale by and between Roger V. Calarese and A. Richard Calarese as Trustees of the Franklin Village Trust and Cedar-Franklin Village, LLC, dated as of August 2, 2004;
- (10.2) Amendment to Agreement of Purchase and Sale by and between Roger V. Calarese and A. Richard Calarese as Trustees of the Franklin Village Trust and Cedar-Franklin Village, LLC, dated as of September 2, 2004;
- (10.3) Second Amendment to Agreement of Purchase and Sale by and between Roger V. Calarese and A. Richard Calarese as Trustees of the Franklin Village Trust and Cedar-Franklin Village, LLC, dated as of September 10, 2004;
- (10.4) Third Amendment to Agreement of Purchase and Sale by and between Roger V. Calarese and A. Richard Calarese as Trustees of the Franklin Village Trust and Cedar-Franklin Village, LLC, dated as of September 13, 2004;
- (10.5) Fourth Amendment to Agreement of Purchase and Sale by and between Roger V. Calarese and A. Richard Calarese as Trustees of the Franklin Village Trust and Cedar-Franklin Village, LLC, dated as of October 29, 2004;
- (10.6) Limited Liability Company Agreement of Cedar-Franklin Village LLC entered into by Cedar-Franklin Village 2 LLC as sole equity member, Suzanne M. Hay as Springing Member 1 and Jan Koeman as Springing Member 2, dated October 22, 2004;
- (10.7) Operating Agreement of Cedar-Franklin Village 2 LLC made and entered into by Cedar Shopping Centers Partnership, L.P. dated as of October 21, 2004;
- (10.8) Lease Agreement by and between Cedar-Franklin Village LLC and Calarese Properties, Inc., dated November 1, 2004;
- (10.9) Property Management Agreement by and between Cedar-Franklin Village LLC and Calarese Properties, Inc. dated as of November 1, 2004;
- (10.10) Assignment of Management Agreement and Subordination of Management Fees by Cedar-Franklin Village LLC as Borrower and Eurohypo AG, New York Branch as Lender, dated as of November 1, 2004;
- (10.11) Independent Director's Contract by and between Cedar-Franklin Village LLC and Suzanne M. Hay dated as of October 2004;
- (10.12) Bill of Sale and General Assignment by and between Roger V. Calarese and A. Richard Calarese as Trustees for Franklin Village Trust and Cedar-Franklin Village LLC, executed as of November 1, 2004;
- (10.13) Loan Agreement between Cedar-Franklin Village LLC as Borrower and Eurohypo AG, New York Branch as Lender, dated as of November 1, 2004;
- (10.14) Promissory Note for Cedar-Franklin Village LLC to Eurohypo AG, New York Branch, dated November 1, 2004;
- (10.15) Mortgage and Security Agreement for Cedar-Franklin Village LLC as Borrower to Eurohypo AG, New York Branch as Lender, dated as of November 1, 2004;
- (10.16) Assignment of Leases and Rents for Cedar-Franklin Village LLC as Assignor and Eurohypo AG, New York Branch as Assignee, dated as of November 1, 2004;
- (10.17) Environmental Indemnity Agreement by Cedar-Franklin Village LLC as Borrower and Cedar Shopping Centers Partnership, L.P. as Indemnitor in favor of Eurohypo AG, New York Branch as Indemnitee, dated as of November 1, 2004;
- (10.18) Guaranty for Cedar Shopping Centers Partnership, L.P. as Guarantor for the benefit of Eurohypo AG, New York Branch as Lender, executed as of November 1, 2004;
- (10.19) Supplemental Guaranty by Cedar Shopping Centers Partnership, L.P. as Guarantor for the benefit of Eurohypo AG, New York Branch as Lender, executed as of November 1, 2004;
- (10.20) Cash Management Agreement among Cedar-Franklin Village LLC as Borrower, Eurohypo AG, New York Branch as Lender, PNC Bank, National Association as Agent and Calarese Properties, Inc. as Manager, dated as of November 1, 2004;
- (10.21) Cleaning Account Agreement by and among Cedar-Franklin Village LLC and Eurohypo AG, New York Branch, dated as of November 1, 2004;
- (23.1) Consent of Independent Registered Public Accounting Firm dated November 4, 2004; and
- (99.1) Press Release issued by Cedar Shopping Centers, Inc. regarding the purchase of Franklin Village Plaza, Franklin, Massachusetts, dated November 1, 2004.

SIGNATURES

We have audited the statement of revenues and certain expenses of Franklin Village Plaza (the "Property") for the year ended December 31, 2003. This financial statement is the responsibility of the Property's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the Standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission for inclusion in Form 8-K of Cedar Shopping Centers, Inc. and is not intended to be a complete presentation of the Property's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Property as described in Note 1 for the year ended December 31, 2003, in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

New York, New York
 October 21, 2004

FRANKLIN VILLAGE PLAZA
 STATEMENT OF REVENUES AND CERTAIN EXPENSES

<TABLE>
 <CAPTION>

	SIX MONTHS ENDED JUNE 30, 2004	YEAR ENDED DECEMBER 31, 2003

	(UNAUDITED)	
<S>	<C>	<C>
Revenues:		
Base rents (including related party amounts of \$18,000 in 2004 and \$36,000 in 2003)	\$ 2,722,000	\$ 4,921,000
Tenant reimbursements	506,000	978,000
Other income	4,000	41,000

Total revenues	3,232,000	5,940,000

Certain expenses:		
Real estate taxes	186,000	342,000
Property operating expenses	519,000	1,001,000
Management fees-related party	167,000	292,000
Bonus-related party	116,000	45,000

Total certain expenses	988,000	1,680,000

Revenues in excess of certain expenses	\$ 2,244,000	\$ 4,260,000
	=====	

</TABLE>

See accompanying notes to financial statement.

FRANKLIN VILLAGE PLAZA
 NOTES TO STATEMENT OF REVENUES AND CERTAIN EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2003

Presented herein is the statement of revenues and certain expenses related to the operation of the shopping center, known as Franklin Village Plaza, located in Franklin, MA (the "Property"). The Property consists of three buildings and contains approximately 289,000 square feet of gross leasable area. Cedar Shopping Centers, Inc. plans to acquire the Property in November 2004.

The accompanying financial statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for the acquisition of real estate properties. Accordingly, the financial statement excludes certain expenses because they may not be comparable to those expected to be incurred in the proposed future operations of the Property. Items excluded consist of interest and depreciation and amortization.

2. USE OF ESTIMATES

The preparation of the statement of revenues and certain expenses in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the statement of revenues and certain expenses and accompanying notes. Actual results could differ from those estimates.

3. REVENUE RECOGNITION

The Property is being leased to tenants under operating leases. Minimum rental income is generally recognized on a straight-line basis over the terms of the leases. The excess of amounts so recognized over amounts due pursuant to the underlying leases amounted to approximately \$15,000 for the year ended December 31, 2003.

4. PROPERTY OPERATING EXPENSES

Property operating expenses for the year ended December 31, 2003 include \$94,000 for insurance, \$203,000 for utilities, \$247,000 for repair and maintenance costs, and \$457,000 for other costs.

Property operating expenses for the six months ended June 30, 2004 (unaudited) include \$52,000 for insurance, \$113,000 for utilities, \$109,000 for repair and maintenance costs, and \$245,000 for other costs.

5. MANAGEMENT FEES

The Property is managed by Calarese Development Corporation, a related party, pursuant to an agreement which provides for management fees of 5% of monthly net receipts, as defined. Management fees of approximately \$292,000 for the year ended December 31, 2003 and \$167,000 (unaudited) for the six months ended June 30, 2004 were incurred.

6. SIGNIFICANT TENANT

One tenant constituted approximately 13% of rental revenue for the year ended December 31, 2003.

7. FUTURE MINIMUM RENTS SCHEDULE

Future minimum lease payments to be received under non-cancelable operating leases for the years ending December 31 are as follows:

2004	\$4,568,000
2005	4,210,000
2006	3,287,000
2007	2,374,000
2008	1,357,000
Thereafter	1,598,000

Total	\$17,394,000
	=====

FRANKLIN VILLAGE PLAZA
NOTES TO STATEMENT OF REVENUES AND CERTAIN EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

The lease agreements generally contain provisions for reimbursement of real estate taxes and operating expenses, on a pro rata basis, as well as for fixed increases in rent.

8. INTERIM UNAUDITED FINANCIAL INFORMATION

The statement of revenues and certain expenses for the six months ended June 30, 2004 is unaudited; however, in the opinion of management, all

adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the statement of revenues and certain expenses for this interim period have been included. The results of the interim period are not necessarily indicative of the results to be obtained for a full fiscal year.

CEDAR SHOPPING CENTERS, INC.
 PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
 AS OF JUNE 30, 2004
 (UNAUDITED)

The following unaudited pro forma condensed consolidated balance sheet is presented as if Cedar Shopping Centers, Inc. (the "Company") had acquired the real estate assets, subject to certain liabilities, of Franklin Village Plaza, and completed the July 2004 Preferred Stock offering, both as of June 30, 2004. This financial statement should be read in conjunction with the unaudited pro forma condensed consolidated statement of income and the Company's historical financial statements and notes thereto as filed on Form 10-K for the year ended December 31, 2003 and on Form 10-Q for the six months ended June 30, 2004. The pro forma condensed consolidated balance sheet is unaudited and is not necessarily indicative of what the actual financial position would have been had the Company acquired the property and completed the July 2004 Preferred Stock offering, both as of June 30, 2004, nor does it purport to represent the future financial position of the Company.

FORMA	CEDAR SHOPPING CENTERS, INC.	ACQUIRED PROPERTY	PRO FORMA ADJUSTMENTS	PRO
JUNE 30, 2004	HISTORICAL (A)	(B)	(C) (D)	

<S>	<C>	<C>	<C>	<C>
ASSETS				
Real estate				
Land	\$ 74,707,000	\$14,502,000		\$
89,209,000				
Buildings and improvements	324,947,000	58,007,000		
382,954,000				

472,163,000	399,654,000	72,509,000		
Less accumulated depreciation	(10,613,000)			
(10,613,000)				

Real estate, net	389,041,000	72,509,000		
461,550,000				
Cash and cash equivalents	3,561,000		\$1,399,000	
4,960,000				
Cash at joint ventures and restricted cash	6,591,000	127,000		
6,718,000				
Rents and other receivables, net	3,453,000			
3,453,000				
Other assets	2,847,000	133,000		
2,980,000				
Deferred charges, net	9,053,000	133,000		
9,186,000				

TOTAL ASSETS	\$414,546,000	\$72,902,000	\$1,399,000	
\$488,847,000				
=====				
LIABILITIES AND SHAREHOLDERS' EQUITY				
Mortgage loans payable	\$149,049,000	\$43,500,000		
\$192,549,000				
Line of credit	75,000,000	29,159,000	(\$55,250,000)	
48,909,000				
Accounts payable, accrued expenses, and other	5,578,000	243,000		
5,821,000				
Deferred liabilities	20,112,000			
20,112,000				

TOTAL LIABILITIES	249,739,000	72,902,000	(55,250,000)	
267,391,000				

Minority interests	12,139,000		
12,139,000			
Limited partners' interest in consolidated Operating Partnership	4,174,000		
4,174,000			
Shareholders' Equity	148,494,000		56,649,000
205,143,000			

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$414,546,000	\$72,902,000	\$1,399,000
\$488,847,000			

</TABLE>

See accompanying notes to pro forma condensed consolidated financial statements.

CEDAR SHOPPING CENTERS, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2003
FOR THE SIX MONTHS ENDED JUNE 30, 2004
(UNAUDITED)

The following unaudited pro forma condensed consolidated statements of income are presented as if Cedar Shopping Centers, Inc. (the "Company") had acquired the real estate assets, subject to certain liabilities, of Franklin Village Plaza, concluded its 2003 public offering and related transactions, and concluded the properties acquired throughout 2003 and the first two quarters of 2004, all as of January 1, 2003. These financial statements should be read in conjunction with the Company's historical financial statements and notes thereto as filed on Form 10-K for the year ended December 31, 2003 and on Form 10-Q for the six months ended June 30, 2004. The pro forma condensed consolidated statements of income are unaudited and are not necessarily indicative of what the actual results of operations would have been had the Company acquired the property, concluded its 2003 public offering and related transactions, and concluded the properties acquired throughout 2003 and the first two quarters of 2004, all as of January 1, 2003, nor does it purport to represent the results of operations of the Company for future periods.

<TABLE>

<CAPTION>

FOR THE YEAR ENDED DECEMBER 31, 2003

	CEDAR SHOPPING CENTERS, INC. HISTORICAL (A)	COMPLETED TRANSACTIONS (B)	ACQUIRED PROPERTY (C)	PRO FORMA ADJUSTMENTS (D)	PRO FORMA
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	\$ 26,506,000	\$21,250,000	\$5,940,000	\$ 141,000	\$53,837,000
Expenses:					
Operating, maintenance and management	7,190,000	4,053,000	1,338,000	(155,000)	12,426,000
Real estate and other property-related taxes	2,861,000	2,062,000	342,000		5,265,000
General and administrative	3,161,000	15,000			3,176,000
Interest	9,412,000	2,496,000		3,258,000	15,166,000
Depreciation and amortization	5,023,000	3,723,000		1,469,000	10,215,000
Costs incurred acquiring external advisor	11,960,000	(11,960,000)			-
Early extinguishment of debt	6,935,000	(6,935,000)			-
Other	1,893,000	(1,893,000)			-
Total expenses	48,435,000	(8,439,000)	1,680,000	4,572,000	46,248,000
Income (loss) before the following:	(21,929,000)	29,689,000	4,260,000	(4,431,000)	7,589,000
Minority interests	(983,000)	135,000			(848,000)
Limited partners' interest	1,637,000	(1,821,000)		5,000	(179,000)
Distributions to preferred unitholder, net of limited partners' interest	(76,000)	76,000			-
Net income (loss)	(\$21,351,000)	\$28,079,000	\$4,260,000	(\$4,426,000)	\$ 6,562,000
Basic and fully diluted net income (loss) per share	(\$7.09)				\$0.40
Average number of common shares outstanding	3,010,000				16,456,000

</TABLE>

See accompanying notes to pro forma condensed consolidated financial statements.

CEDAR SHOPPING CENTERS, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2003
FOR THE SIX MONTHS ENDED JUNE 30, 2004
(UNAUDITED)
(CONTINUED)

<TABLE>
<CAPTION>

	FOR THE SIX MONTHS ENDED JUNE 30, 2004				
	CEDAR SHOPPING CENTERS, INC. HISTORICAL (A)	COMPLETED TRANSACTIONS (B)	ACQUIRED PROPERTY (C)	PRO FORMA ADJUSTMENTS (D)	PRO FORMA
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	\$23,942,000	\$1,585,000	\$3,232,000	\$26,000	\$28,785,000
Expenses:					
Operating, maintenance and management	5,397,000	321,000	802,000	(185,000)	6,335,000
Real estate and other property-related taxes	2,344,000	164,000	186,000		2,694,000
General and administrative	1,627,000				1,627,000
Interest	5,099,000	535,000		1,629,000	7,263,000
Depreciation and amortization	5,556,000	345,000		734,000	6,635,000
Total expenses	20,023,000	1,365,000	988,000	2,178,000	24,554,000
Income (loss) before the following:	3,919,000	220,000	2,244,000	(2,152,000)	4,231,000
Minority interests	(584,000)				(584,000)
Limited partners' interest	(89,000)	(6,000)		(2,000)	(97,000)
Net income (loss)	\$ 3,246,000	\$214,000	\$2,244,000	(\$2,154,000)	\$3,550,000
Basic and fully diluted net income (loss) per share	\$0.20				\$0.22
Average number of common shares outstanding	16,456,000				16,456,000

</TABLE>

See accompanying notes to pro forma condensed consolidated financial statements.

CEDAR SHOPPING CENTERS, INC.
NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2004

- (a) Reflects the Company's historical balance sheet as of June 30, 2004 (unaudited), as previously filed.
- (b) Reflects the acquisition of the real estate assets, subject to certain liabilities, of Franklin Village Plaza for approximately \$72.5 million, including the issuance of a \$43.5 million mortgage note payable.
- (c) Reflects the Company's public offering of 2,350,000 shares of 8-7/8% Series A Cumulative Redeemable Preferred Stock, net of underwriting discount and offering costs, and the contemporaneous repayment of its secured revolving credit facility, as if these transactions were completed as of June 30, 2004.
- (d) The Company intends to account for the acquisition in accordance with Statements of Financial Accounting Standards No. 141, "Business Combinations", and No. 142, "Goodwill and Other Intangibles", and is currently in the process of analyzing the fair value of the acquired property's in-place leases. No value has yet been assigned to the leases and, therefore, the purchase price allocation is preliminary and subject to change.

ENDED DECEMBER 31, 2003

- (a) Reflects the Company's historical operations for the year ended December 31, 2003 (audited), as previously filed.
- (b) Reflects the Company's 2003 public offering, related transactions and properties acquired throughout 2003 and the first two quarters of 2004, as if these transactions were completed as of January 1, 2003.
- (c) Reflects the operations of the acquired property for the year ended December 31, 2003.
- (d) Reflects an increase in revenues (straight-line rents), interest, depreciation and amortization, and limited partners' interest, a reduction in management fees, and the elimination of related party bonus with respect to the acquired property. The Company intends to account for the acquisition in accordance with Statements of Financial Accounting Standards No. 141, "Business Combinations", and No. 142, "Goodwill and Other Intangibles", and is currently in the process of analyzing the fair value of the acquired property's in-place leases. No value has yet been assigned to the leases and, therefore, the purchase price allocation is preliminary and subject to change.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS
ENDED JUNE 30, 2004

- (a) Reflects the Company's historical operations for the six months ended June 30, 2004 (unaudited), as previously filed.
- (b) Reflects properties acquired during the first two quarters of 2004, as if these transactions were completed as of January 1, 2003.
- (c) Reflects the operations of the acquired property for the period from January 1, 2004 through June 30, 2004.
- (d) Reflects an increase in revenues (straight-line rents), interest, depreciation and amortization, and limited partners' interest, a reduction in management fees, and the elimination of related party bonus with respect to the acquired property. The Company intends to account for the acquisition in accordance with Statements of Financial Accounting Standards No. 141, "Business Combinations", and No. 142, "Goodwill and Other Intangibles", and is currently in the process of analyzing the fair value of the acquired property's in-place leases. No value has yet been assigned to the leases and, therefore, the purchase price allocation is preliminary and subject to change.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment to be signed on its behalf by the undersigned thereunto duly authorized.

CEDAR SHOPPING CENTERS, INC.

/s/ THOMAS J. O'KEEFFE

Thomas J. O'Keefe
Chief Financial Officer
(Principal financial officer)

Dated: November 5, 2004

AGREEMENT OF PURCHASE AND SALE

This AGREEMENT OF PURCHASE AND SALE (the "Agreement") is made as of the ____ day of August, 2004, by and between Roger V. Calarese and A. Richard Calarese, as trustees of the Franklin Village Trust, dated January 19, 1979, as amended ("Seller" or the "Trust"), having an office at 1000 Franklin Village Drive, Franklin, Massachusetts 02038, and Cedar-Franklin Village LLC, a Delaware limited liability company ("Buyer"), having an office c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Port Washington, New York 11050.

W I T N E S S E T H

A. Seller is the fee owner of that certain tract or parcel of land more particularly described on Exhibit A attached hereto and made a part hereof, situated in Franklin, Massachusetts (the "Land"), together with the improvements constructed thereon and commonly known as Franklin Village Shopping Center (the "Improvements"; the Land and the Improvements are hereinafter collectively referred to as the "Premises). The Premises together with Seller's right, title, and interest (and the right, title, and interest of all beneficiaries of Seller) in and to (i) all easements, rights-of-way, privileges, appurtenances, development rights and other rights (including, without, limitation, mineral, oil and gas rights) pertaining to the Premises (collectively, the "Appurtenant Rights"), (ii) (a) all land lying in the bed of any street, road or avenue opened or proposed, public or private, in front of or adjoining the Premises, (b) any award made or to be made in lieu thereof, (c) any unpaid award for damage to the Premises by reason of change of grade of any street and (d) any strips and gores adjoining or adjacent to the Premises (collectively, the "Additional Property Rights"), (iii) all fixtures, machinery, equipment, articles of personal property and improvements in the nature of personal property attached or appurtenant to, or located on, or used in connection with the use or operation of the Premises (collectively, the "Personal Property"), (iv) all copyrights, trademarks, service marks and other marks and trade or business names, and domain names relating to the ownership, use, operation and management of the Premises, if any, including, without limitation, the right, if any, to use the name "Franklin Village Shopping Center" and any similar variations (collectively, the "Intangible Property"), (v) the Leases (as that term is hereinafter defined) and the Service Contracts (as that term is hereinafter defined), and all security and other deposits made under the Leases and Service Contracts, (vi) all plans, drawings, specifications, and surveys relating to the Premises (the "Plans and Specifications"), (vii) all guaranties and warranties relating to the Premises (the "Guaranties and Warranties"), and (viii) the Permits (as that term is hereinafter defined) are hereinafter collectively referred to as the "Property").

B. Seller desires to sell and Buyer desires to purchase the Property on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I
Sale and Purchase of Property

1.1 Seller agrees to sell, assign and convey to Buyer, and Buyer agrees to purchase and assume from Seller, the Property, subject to the terms of this Agreement.

1.2 The Premises are to be conveyed to Buyer by a deed of Seller, in the form specified by Section 7.3.1 hereof, conveying a good and clear record and marketable title to the same, of record and in fact, which shall also be of such quality as Commonwealth Land Title Insurance Company, or other national title insurance company selected by Buyer, will insure at regular rates, on the standard ALTA form, free from all defects, liens and encumbrances, except the following:

1.2.1 provisions of existing applicable building and zoning laws in effect on the Closing Date, provided that the Premises, as of the Closing Date, may be used as of right, without special permit or variance (other than any special permits or variances which may have already been issued and continue to be in full force and effect), as a retail shopping center and for accessory uses related thereto;

1.2.2 such real and personal property taxes relating to the Premises for the then current tax period, as are not yet due and payable;

1.2.3 the Leases;

1.2.4 liens for municipal betterments assessed after the date

of this Agreement (subject to Buyer's right to terminate this Agreement in connection therewith pursuant to Section 6.1.2 hereof); and

1.2.5 such matters set forth on Exhibit B annexed hereto (such exceptions set forth in subparagraphs 1.2.1 through 1.2.5 are collectively referred to as the "Permitted Exceptions").

ARTICLE II Purchase Price

2.1 Purchase Price. The purchase price (the "Purchase Price") payable by Buyer to Seller for the Property shall be the amount of Sixty Nine Million Eight Hundred Thousand and 00/100 Dollars (\$69,800,000.00), as adjusted pursuant to the terms of this Agreement. In the event the Prepayment Consideration (as that term is hereinafter defined) is less than the Estimated Amount (as that term is hereinafter defined), the Purchase Price shall be increased by fifty percent (50%) of the amount by which the Estimated Amount exceeds the Prepayment Consideration.

2.2 Method of Payment. Payment of the Purchase Price shall be made as follows:

2.2.1 Within two (2) Business Days (as that term is hereinafter defined) after the execution and delivery of this Agreement, One Million and 00/100 Dollars (\$1,000,000.00) (the "Downpayment") by (a) wire transfer of immediately available federal funds to the account of Escrow Agent

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(as that term is hereinafter defined) in accordance with the wire instructions set forth on Exhibit C annexed hereto, or (b) Buyer's good unendorsed certified check or good unendorsed official bank check payable to the order of Escrow Agent (it being understood that Buyer shall have the option of electing the method of payment between those described in clauses (a) and (b) above) to be held in escrow pursuant to the provisions of Article IX hereof;

2.2.2 At the closing of the transactions contemplated hereby (the "Closing"), the balance of the Purchase Price, subject to apportionments and other adjustments required to be made pursuant to this Agreement (the "Balance"), by wire transfer of immediately available federal funds to an account or accounts designated by Seller.

2.3 Downpayment. The party or parties hereunder that shall be entitled to receive the Downpayment shall receive all interest that shall have accrued thereon; provided, however, that if the Closing shall occur, the amount of any interest earned on the Downpayment shall be credited in favor of Buyer against the Balance. The Downpayment, together with all interest thereon, shall be held by Escrow Agent in accordance with Article IX hereof.

ARTICLE III Disclaimer

3.1 Disclaimer of Warranties. Buyer is acquiring the Property "AS IS" with all faults and defects. Except as specifically stated in this Agreement, Seller hereby specifically disclaims any representation or warranty, oral or written, including, but not limited to, those concerning (i) the nature and condition of the Property, (ii) the manner, construction, condition and state of repair or lack of repair of any Improvements, (iii) the compliance of the Property or its operation with any laws, rules, ordinances, or regulations of any government or other body, it being specifically understood that Buyer has had the full opportunity to determine for itself the condition of the Property, and (iv) the income and expenses of the Property. The sale of the Property as provided for herein is made with the understanding that Buyer has inspected the Property, is aware of the condition thereof, and has apprised itself of all information with respect to the Property and that, except as otherwise provided herein, the conveyance is made with the Property in an "AS IS" condition. Buyer expressly acknowledges that in consideration of the agreements of Seller herein, except as otherwise specified herein, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY DECLARATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF QUANTITY, QUALITY, CONDITION, HABITABILITY, MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, ANY IMPROVEMENTS, THE PERSONAL PROPERTY OR SOIL CONDITIONS. Seller is not liable or bound in any manner by expressed or implied warranties, guarantees, promises, statements, representations or information pertaining to the Property made or furnished by any real estate broker, agent, employee, servant or other Person (as that term is hereinafter defined) representing or purporting to represent Seller unless such representations are expressly and specifically set forth herein. For purposes of this Agreement, the term "Person" shall mean any individual, partnership, corporation, limited liability company, trust or other entity.

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ARTICLE IV
Seller's Representations and Covenants

4.1 Seller represents as follows:

A. The Trust is a nominee trust duly organized and validly existing under and by virtue of the laws of the Commonwealth of Massachusetts and is in good standing in such Commonwealth. The Trust has all requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. Annexed hereto as Exhibit D is a true, correct and complete copy of the Declaration of Trust of the Trust, which Declaration of Trust has not been amended or modified, except as may be set forth on Exhibit D.

B. The sole beneficiary of the Trust is Franklin Village Development Limited Partnership (the "Partnership"). The Partnership is a limited partnership duly organized and validly existing under and by virtue of the laws of the Commonwealth of Massachusetts and is in good standing in such Commonwealth. The Partnership has all requisite power and authority to execute, deliver and perform the joinder annexed to this Agreement, and the documents contemplated by this Agreement to be delivered by it. Annexed hereto as Exhibit E is a true, correct and complete copy of the Certificate of Limited Partnership and the Limited Partnership Agreement of the Partnership, which Certificate of Limited Partnership and Limited Partnership Agreement have not been amended or modified, except as may be set forth on Exhibit E.

C. Seller is the owner of the Property.

D. This Agreement (i) has been duly authorized, executed and delivered by Seller and no other proceedings on the part of Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby, and (ii) is the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally).

E. The execution, delivery, observance and performance by Seller of this Agreement and the transactions contemplated hereby will not (i) result in any violation of the organizational documents of Seller, (ii) violate any contractual provision, law, statute, ordinance, rule, regulation, judgment, decree or order applicable to Seller, (iii) conflict with, or cause a breach of, or a default under, or result in a termination, modification, or acceleration of, any obligation of Seller, or (iv) permit any other party to terminate or modify any agreement or instrument to which Seller is a party or by which it is bound.

F. The Premises are encumbered by a first mortgage (the "Mortgage") securing a loan in the original principal amount of Thirty Million and 00/100 Dollars (\$30,000,000.00) (the "Mortgage Loan"), held and/or serviced by GMAC Commercial Mortgage Corporation ("Mortgagee") to Seller dated November 5, 1997. A true, correct and complete schedule of the documents evidencing the Mortgage Loan (the "Mortgage Loan Documents") is annexed hereto as Exhibit F. True, accurate and complete copies of the Mortgage Loan Documents have been delivered to Buyer. The Mortgage Loan Documents are in full force and effect and have not been amended. As of the date hereof, no default exists under any of the Mortgage Loan Documents. The outstanding principal balance of the Mortgage Loan,

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as of May 30, 2004, was Twenty Seven Million Eight Hundred Forty Two Thousand Nine Hundred Ninety Three Dollars and five cents (\$27,842,993.05). There is no prepayment penalty or other fee payable in connection with a voluntary prepayment of the Mortgage Loan other than (i) the Interest Shortfall Payment (as that term is defined in that certain Promissory Note (the "Note"), dated as of November 5, 1997, in the amount of Thirty Million Dollars and 00/100 (\$30,000,000.00) made by Seller to The Chase Manhattan Bank in connection with the Mortgage Loan), payable in the event the Mortgage Loan is prepaid on a date other than the first day of a calendar month, and (ii) the Prepayment Consideration (as that term is defined in the Note). In the event the Mortgage Loan had been prepaid on May 30, 2004, the Prepayment Consideration would not have exceeded the sum of Two Million Four Hundred Thousand Dollars (the "Estimated Amount").

G. To Seller's knowledge, the Premises are not subject to any mortgages, liens or encumbrances other than the Mortgage Loan and the Permitted Exceptions.

H. No consent, approval, waiver, license, authorization or declaration of, or filing or registration with, any Person is or will be required in connection with the execution, delivery and performance of this Agreement by Seller.

I. There are no contracts or agreements, written or oral, to which Seller is a party or is bound which affect the Property and will be

binding on Buyer from and after the Closing, except those described either in this Agreement or set forth in Exhibits to this Agreement.

J. To Seller's knowledge, the Premises are not subject to any reciprocal easement agreements, easement agreements, or restrictive documents of any nature other than any set forth in the Permitted Exceptions. Neither Seller, nor, to Seller's best knowledge, any other party is in default with respect to any of its obligations or liabilities pertaining to such reciprocal easement agreements, easement agreements, and/or restrictive documents and the existing Improvements and the present use and operation of the Premises do not violate the terms of any such reciprocal easement agreements, easement agreements and/or restrictive documents.

K. Other than ongoing construction with respect to the widening of Route 140 over land taken by the Commonwealth of Massachusetts pursuant to Order of Taking recorded at Norfolk County Registry of Deed on December 6, 2000 at Book 14576, Page 061 (the "Road Widening"), there are no takings, condemnations, betterments, assessments, actions, suits, arbitrations, claims, attachments, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, actual or proposed, pending or, to the best of Seller's knowledge, threatened against the Premises or Seller. To Seller's knowledge, the Road Widening does not and will not (i) adversely affect the use or enjoyment of the Premises as a retail shopping center, (ii) cause Seller to be in violation of (a) any legal requirements, (b) the terms of any Lease, or (c) the terms of any agreement or contract to which Seller is a party or is bound affecting the Premises, or (iii) reduce (by more than one (1) parking space), the number of parking spaces available at the Premises.

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L. No tax certiorari proceedings with respect to the Premises are presently pending or remain outstanding.

M. Except as set forth on Exhibit G, no lawsuit, governmental investigation or other legal action or proceeding is pending, or to Seller's knowledge threatened, with respect to Seller and/or the Property.

N. True, correct and complete copies of the leases, licenses or other occupancy agreements to which Seller is a party or is bound affecting the Premises (collectively, the "Leases") and, to Seller's knowledge, subleases affecting the Premises (collectively, the "Subleases") have been delivered to Buyer. The information set forth on Exhibit H annexed hereto (the "Schedule of Leases") is true, complete and correct, and the Leases and the Subleases are in full force and effect and have not been amended, except as set forth in the Schedule of Leases. The Schedule of Leases sets forth the amount of all security deposits (plus accrued interest thereon, if any, required to be paid to the respective Tenants) made by Tenants under the Leases and held by or on behalf of the landlord thereunder. The rent roll (the "Rent Roll") annexed hereto as Exhibit I is true, correct and complete based upon the current operation of the Premises and the rents set forth on the Rent Roll are the rents currently being collected. The Rent Roll accurately reflects all estimated payments made (and scheduled to be made) on account of Overage Rent (as that term is hereinafter defined), (both paid and payable) under the Leases. All of the landlord's obligations under the Leases which the landlord is obligated to perform prior to the Closing have or will have been performed.

O. Except as set forth on the Schedule of Leases:

- (a) there are no other Leases or, to Seller's knowledge, Subleases, and no Person, other than tenants under the Leases (the "Tenants") and subtenants under the Subleases (the "Subtenants"), has any right of possession of the Premises;
- (b) there are no unsatisfied "Take-Over" space obligations or "Take-Back" space obligations ("Take-Over" space obligations mean rent obligations of the Tenant in other buildings assumed by the landlord, and "Take-Back" space obligations mean obligations imposed upon the landlord to sublet or otherwise be responsible for the obligations of a Tenant under a Lease);
- (c) there are no disputes with Tenants as to the amount of their rental obligations;
- (d) the rents set forth on the Rent Roll were actually collected for the previous month;
- (e) there are no rents under any of the Leases that are in arrears by more than thirty (30)

days;

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- (f) no Tenant or Subtenant has any option to purchase the Premises or to cancel its Lease or Sublease (other than as set forth in the applicable Lease or Sublease);
- (g) Seller has not received from any Tenant any written notice claiming any default by the landlord under its Lease which has not been complied with, and Seller has not delivered to Tenant any written notice claiming a default by Tenant under a Lease which has not been complied with, and, to the best knowledge of Seller, there are no circumstances which, after notice and the expiration of any applicable grace period, would constitute a default by either the landlord or any Tenant under the Leases;
- (h) except as set forth in the applicable Leases, no Tenant has any right of first offer, right of first refusal, option or other preferential right to expand its premises, and no Tenant has any option or other preferential right to renew or extend the term of such Tenant's Lease; and
- (i) no Tenant has asserted offsets or claims against, or has any defense to, rental payable or obligations under such Tenant's Lease.

P. Seller has no reason to believe that any Tenant is or may become unable or unwilling to perform any or all of such Tenant's obligations under its Lease (other than Tenants known as Weathervane, Toy Works, and Cambridge Eye, which have filed for bankruptcy protection and the Tenant known as Golf, U.S.A., which is in arrears on its rent by more than six (6) months, as more particularly set forth on the Rent Roll). No guarantor of any of the Leases has been released or discharged voluntarily (or, to the best of Seller's knowledge either involuntarily or by operation of law) from any obligation related to the Lease. Except in connection with the proposed expansion (the "Stop & Shop Expansion") of the leased premises occupied by the Tenant known as The Stop & Shop Supermarket Company ("Stop & Shop"), to be performed pursuant to the terms and conditions of that certain Third Amendment of Lease, dated as of April 2, 2004, between Seller and Stop & Shop (the "Stop & Shop Amendment") and the related work to be done in connection with the relocation of (i) the Tenant known as Village Mall Liquors, Inc. ("Village Liquors") to be performed pursuant to the Stop & Shop Amendment and terms and conditions of the Amendment to Lease, dated as of April 5, 2004, between Seller and Village Liquors (the "Village Liquors Amendment"), and (ii) the Tenant known as Hairs Boston ("HB") to be performed pursuant to the Stop & Shop Amendment and the terms and conditions of that certain lease dated as of May 7, 2004, between Seller and HB (the "New HB Lease"), all of the improvements to be constructed by the landlord, if any, contemplated under the Leases or as required therein and in all collateral agreements and plans and specifications respecting same have been completed as so required, and any fees, costs, allowances, advances or other expenses to be paid by the landlord for tenant improvements or tenant finish work have been paid in full. Neither the Leases nor any of the rentals due or to become due under the Leases has been or will be, at the Closing, assigned or encumbered by the landlord thereunder or subject to any liens. As of the date hereof, Seller has not received the payments from Stop & Shop contemplated by the Stop & Shop Amendment in connection with the Village Liquor relocation. As of the date

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hereof, Seller has incurred approximately \$75,000 in connection with the performance of work in connection with the work contemplated by the Stop & Shop Amendment for which Seller has not, as of the date hereof, been reimbursed by Stop & Shop (the "Unreimbursed Stop & Shop Costs").

Q. The only other Tenants that will be required to relocate as a result of the Stop & Shop Expansion are Village Liquors and HB. Seller has the right (i) under the Village Liquors Amendment to relocate Village Liquors to the New Premises (as that term is defined in the Liquor Store Lease Amendment). Pursuant to its previous lease with Seller (which has recently expired), HB occupied space which will, pursuant to the terms of the Stop & Shop Amendment, be demised to Stop & Shop. The New HB Lease demises alternate space to HB (as more particularly set forth in the New HB Lease), which alternate space is unaffected by the Stop & Shop Expansion.

R. There are no management, service, supply, equipment rental and similar agreements affecting the Premises, and there are no month-to-month service arrangements on expired or automatic renewable contracts (collectively, the "Service Contracts") which will bind the Premises, Buyer or Seller after the Closing other than the Service Contracts set forth on Exhibit J annexed hereto (the "Schedule of Service Contracts"). True, correct and complete copies of the Service Contracts set forth on the Schedule of Service Contracts have been delivered to Buyer. Neither Seller, nor, to Seller's best knowledge, any other party is in default with respect to any of its obligations or liabilities pertaining to the Service Contracts set forth on the Schedule of Service Contracts. Except as set forth on Exhibit J, all of the Service Contracts set forth on the Schedule of Service Contracts may be terminated without penalty or payment by Seller on no more than thirty (30) days' notice.

S. Except in connection with the Mortgage Loan, the interests of Seller in the Property have not been pledged or transferred.

T. There are no outstanding options to purchase, rights of first offer, rights of first refusal, warrants, calls, commitments, conversion rights, rights of exchange, plans or other agreements of any character, absolute or contingent, to acquire all, or any portion of, the Property except for the right of first refusal granted to Stop & Shop pursuant to the provisions of its Lease (the "Stop & Shop ROFR"). Seller has given effective notice to Stop & Shop, in form and substance required pursuant to the provisions of Stop & Shop's Lease, of the transactions contemplated by this Agreement. Stop & Shop must give notice on or before August 9, 2004 (the "Outside Date") as to whether or not it elects to exercise the Stop & Shop ROFR. In the event Stop & Shop fails to give such notice prior to the Outside Date, the Stop & Shop ROFR shall be deemed to have been waived by Stop & Shop. (If Stop & Shop exercises the Stop & Shop ROFR on or before the Outside Date (a "ROFR Exercise"), the date of such exercise is referred to herein as the "Stop & Shop Exercise Date". If Stop & Shop gives notice that it waives the right to exercise the Stop & Shop ROFR or is deemed to have waived the right to exercise the Stop & Shop ROFR (a "ROFR Waiver"), the date of such waiver or deemed waiver is referred to herein as the "Stop & Shop Waiver Date").

U. As of the date hereof, Seller has not entered into any brokerage agreements or lease commission agreements other than those agreements described on Exhibit K annexed hereto. No leasing commission is now or will

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hereafter become due or owing in connection with any of the Leases, including, without limitation, in connection with any renewals or extensions of the term thereof, except as disclosed in Exhibit K annexed hereto.

V. The Personal Property has not been assigned or conveyed to any other party (other than as security for the Mortgage Loan).

W. Except in connection with possible violations on the Premises with respect to concentrations in groundwater of petroleum products resulting from the release and/or discharges of same occurring on adjacent property owned by Exxon Mobil Corporation (the "Exxon Mobil Investigation"), Seller has not received written notice of any violation at the Premises of laws relating to Hazardous Materials (as that term is hereinafter defined). To Seller's knowledge, except as may be disclosed on the Existing Reports, no Hazardous Materials are now or have ever been, located, produced, used, stored, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Premises in a manner that may give rise to any actual or potential liability to pay response costs or other damages, losses or expenses or otherwise violate any Environmental Laws (as that term is hereinafter defined). Seller does not and has not located, stored, or used Hazardous Materials at the Premises and, to Seller's knowledge, no Hazardous Materials are currently located, stored or used at the Premises, except with respect to such Hazardous Materials which are contained in or constitute maintenance, cleaning and landscaping supplies or other materials as may be customarily used by Tenants in the ordinary course of their business conducted at the Premises, in each case used and stored in accordance with Environmental Laws. Except in connection with the Exxon Mobile Investigation, no written notice of any violation or any alleged violation of any Environmental Laws has been issued or given by any Governmental Authority (as that term is hereinafter defined) which remains uncured. To Seller's knowledge there does not currently exist any investigation or report involving the Premises by any Governmental Authority or agency which in any way relates to Hazardous Materials except in connection with the Exxon Mobil Investigation. Except in connection with the Exxon Mobil Investigation, there are not currently pending or, to Seller's best knowledge, threatened any actions, suits, proceedings or damage settlements relating in any way to Hazardous Materials in, upon, under, over or from the Premises. For purposes of this Agreement, the term "Hazardous Materials" shall mean (a) any toxic substance, hazardous waste, hazardous substance or related hazardous material; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other

equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of presently existing federal, state or local safety guidelines, whichever are more stringent; and (c) any substance, material or chemical which is defined as or included in the definition of "hazardous substances", "toxic substances", "hazardous materials", "hazardous wastes" or words of similar import under any federal, state or local statute, law, code, or ordinance or under the regulations adopted or guidelines promulgated pursuant thereto, including, but not limited to, the Environmental Laws. For purposes of this Agreement, the term "Environmental Laws" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. ss.9061, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. ss.1801, et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss.6901, et seq.; and the Federal Water Pollution Control Act, as amended, 33 U.S.C. ss.1251, et seq., as any of the foregoing may be amended from time to time, and any other federal, state and local laws and regulations, codes, statutes, orders, decrees, guidance documents, judgments or

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injunctions, now or hereafter issued, promulgated, approved or entered thereunder, relating to pollution, contamination or protection of the environment, including, without limitation, laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes into the environment or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials. For purposes of this Agreement, the term "Governmental Authority" shall mean the United States government, any state, regional, local or any other political subdivision of any of the foregoing, and any agency, department, commission, board, court bureau or instrumentality of any of them having jurisdiction over the Property or Seller.

X. There are no underground storage tanks located on or under the Land.

Y. Seller has delivered to Buyer a true, correct and complete copy of the (i) Phase I Environmental Site Assessments of the Premises, dated August 14, 1997, and prepared by Aqua Terra Environmental Services Corp., (ii) the Phase I Environmental Site Assessment of the Premises dated June, 1986, and prepared by Goldberg-Zoino & Associates, and (iii) and copies of all information in Seller's possession with respect to the Exxon Mobil Investigation (the "Existing Reports"). The Existing Reports are the only reports within Seller's possession or control that have been prepared in connection with studies or investigations of the environmental condition of the Premises.

Z. To Seller's knowledge and except as may be determined in connection with the Exxon Mobil Investigation, the Property complies in all material respects with all applicable Legal Requirements (as that term is hereinafter defined). To Seller's knowledge, all Permits (as that term is hereinafter defined) required by any Governmental Authority for the operation of the Property and the actual and contemplated uses thereof, or otherwise required to be in compliance with any Environmental Laws, have been obtained and are transferable with the Premises to Buyer without charge. To Seller's knowledge, all Permits are in full force and effect and Seller has not received written notice of any pending or threatened modification or cancellation of any of the same. Exhibit L annexed hereto sets forth the Permits held by Seller with respect to the Property. For purposes of this Agreement, the term "Legal Requirements" shall mean any law, statute, ordinance, order, rule, regulation, decree or other requirement of a Governmental Authority, and all conditions of any Permit. For purposes of this Agreement, the term "Permits" shall mean all approvals, consents, registrations, franchises, permits, licenses, variances, certificates of occupancy and other authorizations with regard to zoning, landmark, ecological, environmental, air quality, subdivision, planning, building or land use required by any Governmental Authority for the construction, lawful occupancy and operation of the Improvements and the actual use thereof.

AA. Seller has heretofore delivered to Buyer true and complete copies of all income and expense statements, year-end financial and operating statements and existing and proposed budgets for the Property (collectively, the "Operating Statements") for the previous three (3) calendar years and for the current year to date, all of which, with the exception of the proposed budgets, have been reviewed by an independent certified public accountant Seller has no knowledge of any inaccuracies or omissions contained in the Operating Statements. The Operating Statements are correct and complete in all respects and present fairly the financial position of the Property. Since the date of the

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Operating Statements, there has been no material change to any Operating Statement.

BB. There are, and at the Closing there will be, no employees and no employment contracts, operating agreements, listing agreements, consulting agreements, union contracts, labor agreements, pension plans, profit sharing plans or employee benefit plans which relate to Seller or the Property (collectively "Employment Agreements").

CC. Seller maintains insurance with respect to the Property as set forth on Exhibit M annexed hereto. Seller has not received any written notice from any insurance company which has issued a policy with respect to the Property or from Mortgagee requesting or requiring performance of any structural or other major repair or alteration to the Property which has not been complied with.

DD. Neither the Partnership nor the Trust is a "foreign person" as defined pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended.

EE. To Seller's knowledge the parking facilities at the Premises contain an adequate number of striped parking spaces to comply with all Legal Requirements and with all parking commitments contained in any Lease.

FF. The list of the Plans and Specifications set forth on Exhibit N is true, correct and complete. True, correct and complete copies of the Plans and Specifications have been delivered to Buyer.

GG. The Premises are served by adequate municipal utility services, including the municipal sewer system.

All of the representations and warranties of Seller set forth in this Agreement and any Exhibit attached hereto, or in any letter or certificate furnished to Buyer pursuant to the terms hereof, each of which is incorporated herein by reference and made a part hereof, shall be true and correct upon the execution of this Agreement in all material respects, and, except as set forth below, shall be deemed to be repeated at and as of the Closing Date and shall be true and correct as of the Closing Date. The representations, warranties and agreements set forth in this Article shall survive the Closing for a period of one (1) year, unless a claim shall be made with respect thereto within such one (1) year period, in which event the representation, warranty or agreement giving rise to such claim shall survive the Closing with respect to such claim until resolution with respect to such claim, provided the resolution of such claim is being pursued diligently by Buyer. If (i) any of the representations and warranties contained in this Agreement that are qualified with "Seller's knowledge" or words of similar import would have been untrue or incorrect in any material respect had they not been so qualified, or (ii) Buyer has actual knowledge on or before the Closing Date that any of the representations or warranties given by Seller are untrue or incorrect in any material respect on the Closing Date (and the same shall not have resulted from an intentional misrepresentation or breach of warranty by Seller), then notwithstanding anything to the contrary contained in this Agreement, Buyer shall have the right prior to the Closing, as its sole remedy, exercisable by delivery of written notice to Seller, to terminate this Agreement (in which event Buyer shall be entitled to, and Escrow Agent shall return to Buyer, the Downpayment, and

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following such return no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive the termination of this Agreement). If any of the representations and warranties given by Seller are untrue or incorrect in any material respect on the Closing Date (and same shall have resulted from an intentional misrepresentation or breach of warranty by Seller), Buyer shall also have the right, as aforesaid, to terminate this Agreement and receive a return of the Downpayment, but, in such event, the provisions set forth in the last sentence of Section 10.2.1 shall govern. In the event any of Seller's representations and warranties set forth herein shall not be true and correct in all material respects, and Buyer shall have knowledge of the same prior to Closing, and Buyer shall, thereafter, close title to the Property, then, in such case, the provisions of Section 10.2.2 shall govern.

4.2 Seller hereby covenants and agrees with Buyer as follows:

4.2.1 At all times up to the Closing Date, Seller shall cause to be maintained insurance upon the Premises in the same coverages and amounts as the insurance policies on the Premises on the date hereof.

4.2.2 At all times up to the Closing Date, Seller shall operate and maintain the Premises in substantially the same manner as it is now operated and maintained, and Seller shall use reasonable efforts to maintain the physical condition of the Premises in its current condition, reasonable and ordinary wear and tear and damage by fire and casualty excepted.

4.2.3 Seller shall neither transfer nor remove any Personal Property or fixtures from the Premises subsequent to the date hereof, unless the same are no longer needed for the maintenance and operation of the Premises or

except for purposes of replacement thereof, in which case such replacements shall be promptly installed prior to Closing and shall be comparable in quality to the items being replaced.

4.2.4 Seller shall not without the prior written consent of Buyer (i) enter into any Lease or modify, renew, extend, replace, terminate or otherwise change any of the terms, conditions or covenants of any existing Lease, or (ii) consent to any Sublease or any modification, renewal, replacement, termination or other change of any of the terms, conditions or covenants of any existing Sublease. Buyer agrees not to unreasonably withhold consent to any such actions by Seller provided that the same reflect market rents and terms and conditions.

4.2.5 Seller shall terminate prior to the Closing all Service Contracts that Buyer requests be so terminated (provided that said Service Contracts are, by their terms, so terminable without fee or penalty to Seller, unless Buyer shall have agreed to pay any such fee or penalty).

4.2.6 Seller shall not enter into any Service Contracts or modify, renew, extend, replace or otherwise change any of the terms, conditions or covenants of any existing Service Contract after the date hereof without the prior written consent of Buyer, which consent may be granted or withheld in Buyer's sole discretion.

4.2.7 Seller shall not enter into any Employment Agreements without the prior written consent of Buyer, which consent may be granted or withheld in Buyer's sole discretion.

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4.2.8 Seller shall not, except to the extent required by the Stop & Shop Expansion, amend or modify any Permits with respect to the Premises and shall keep in full force and effect and/or renew all Permits.

4.2.9 Seller shall timely comply with all Legal Requirements.

4.2.10 Seller shall pay all obligations and trade creditors in the normal course of business and not defer any expenses or costs which would be paid or incurred in the normal course of business.

4.2.11 Seller shall not, without the written consent of Buyer, convey any interest, directly or indirectly, in the Property, or any portion thereof.

4.2.12 Seller shall not create, assume, incur or suffer to exist any lien (other than the Permitted Exceptions) against the Premises.

4.2.13 Seller shall use good faith efforts to obtain the Tenant Estoppel Certificates and the Manager Termination and the Release (as those terms are defined in Section 7.2.1).

4.2.14 Seller shall not bring (or knowingly permit to be brought) any Hazardous Materials in, upon, under, over or from the Premises in violation of Environmental Laws.

4.2.15 Seller shall not remove or dispose of (or knowingly permit to be removed or disposed of) any Hazardous Materials in, upon, under, over or from the Premises in violation of Environmental Laws.

4.2.16 Seller shall not hereafter engage any new employees for Seller or the Premises.

4.2.17 Seller shall make all payments as required by the Mortgage Loan and shall repay the Mortgage Loan in full on the Closing Date from the proceeds of the Balance and shall cause the Mortgage to be released and discharged in connection with the Closing.

4.2.18 Seller shall, at Buyer's sole cost and expense, cooperate with Buyer with regard to any financing that is arranged for by Buyer in connection with the transactions contemplated by this Agreement, and Seller will execute all documents reasonably required pursuant to such financing, provided same do not impose cost or liability on Seller.

4.2.19 Seller shall not collect any rent under any Lease more than one (1) month in advance.

4.2.20 Seller shall give notice to Buyer of a ROFR Exercise or a ROFR Waiver, as applicable, within two (2) days of the occurrence of same.

4.2.21 Seller shall not make any material alterations to the Premises except in connection with the Stop & Shop Expansion.

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4.3 Buyer represents as follows:

4.3.1 Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of Delaware; and

4.3.2 Buyer has the legal right, power and authority to enter into this Agreement and to perform all of its obligations hereunder and the execution and delivery of this Agreement and the performance by Buyer of its obligations hereunder (i) have been duly authorized by all requisite action of the members of Buyer and (ii) will not conflict with, or result in a breach of, any of the terms, covenants and provisions of the organizational documents of Buyer, or, to the best of Buyer's knowledge, of any judgment, writ, injunction or decree of any court or governmental authority, or any agreement or instrument to which Buyer is a party or by which it is bound.

ARTICLE V
Brokerage

5.1 The parties agree that T.R.B. & Associates, Inc. (the "Broker") is the broker in connection with this transaction, and Seller agrees to pay any commission payable to the Broker in connection with this transaction by separate agreement.

5.2 Buyer hereby agrees to indemnify, defend and hold Seller harmless from and against any and all claims, losses, liability, costs and expenses (including reasonable attorneys' fees) resulting from any claim that may be made against Seller by any broker (other than the Broker), or any other person claiming a commission, fee or other compensation by reason of this transaction, if the same shall arise by, through or on account of any alleged act of Buyer or Buyer's representatives.

5.3 Seller hereby agrees to jointly and severally indemnify, defend and hold Buyer harmless from and against any and all claims, losses, liability, costs and expenses (including reasonable attorneys' fees) resulting from any claim that may be made against Buyer by any broker (including the Broker), or any other person, claiming a commission, fee or other compensation by reason of this transaction, if the same shall arise by, through or on account of any alleged act of Seller or Seller's representatives.

5.4 The indemnification obligations under this Article V shall survive the Closing or a termination of this Agreement.

ARTICLE VI
Title and Due Diligence

6.1 Title.

6.1.1 Title Report; Title Objections. Buyer shall order a title insurance report and commitment (the "Commitment") for the Title Policy (as that term is hereinafter defined) from a title company selected by Buyer (the "Title Company") and shall promptly upon receipt thereof, but no later than thirty (30) days from the date hereof, furnish a copy of the Commitment to

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Seller's attorneys. Upon receipt of any updates or revisions to the Commitment, Buyer shall furnish copies thereof to Seller's attorneys (the Commitment and any updates or revisions thereto are hereinafter collectively referred to as the "Report"). Within thirty (30) days from the receipt of the Commitment (and, thereafter, within thirty (30) days from the receipt of any update or revision thereto), Buyer shall deliver to Seller a statement setting forth exceptions to title which are not Permitted Exceptions reflected in the Commitment or in any such update or revision thereto (the "Title Objections"). Any exception to title reflected in the Commitment or in any update or revision thereto which is not objected to within such thirty (30) day period shall be deemed to be a Permitted Exception.

6.1.2 Encumbrances to Eliminate. Seller shall be required to eliminate (a) all mortgages, (b) unpaid water charges and assessments, (c) any Title Objections which have been voluntarily created, suffered or incurred by Seller including, without limitation, liens, judgments and encumbrances (such Title Objections, collectively, "Subsection (c) Encumbrances"), and (d) any other Title Objections which are in a liquidated amount and which may be satisfied by the payment of money, other than a lien for municipal betterments that is assessed after the date of this Agreement (such other Title Objections, collectively, "Subsection (d) Encumbrances"); provided, however, that Seller shall not be required to spend in excess of One Hundred Thousand Dollars (\$100,000.00) in the aggregate to eliminate (i) any Subsection (c) Encumbrances arising or accruing prior to the date hereof, and (ii) any Subsection (d) Encumbrances. Notwithstanding the foregoing, in the event (i) a Subsection (c) Encumbrance affects the Premises or (ii) a lien for municipal betterments is assessed against the Premises between the date hereof and the Closing and, in

either event, Seller is unable or unwilling to remove the same, and, provided the existence of the same does not otherwise constitute (or arise as a result of) a default hereunder, if the same does not affect the use and enjoyment by Buyer of the Premises, Seller shall not be required to eliminate the same (but, in any such event, Buyer shall have the rights set forth in Section 6.1.3 with respect to such Title Objection). Buyer has notified Seller of the possible existence of a Conservation Restriction (the "Conservation Restriction"), which, if same exists, would affect approximately 4.17 acres of an unimproved portion of the Premises. In the event the Conservation Restriction affects the Premises, Seller shall not be required to eliminate same (but Buyer shall have the rights set forth in Section 6.1.3 with respect thereto).

6.1.3 Other Exceptions. Except as set forth in Section 6.1.2 above, Seller shall not be required to bring any action or institute any proceeding, or to otherwise incur any costs or expenses in order to attempt to eliminate any Title Objections. If Seller fails to eliminate any and all Title Objections (other than those encumbrances set forth in Section 6.1.2 above which Seller shall be obligated to remove), then Buyer may elect to (i) accept the Property subject to such exceptions, and Buyer shall close hereunder, without reduction of the Purchase Price, notwithstanding the existence of the same, and Seller shall have no obligations whatsoever after the Closing Date with respect to Seller's failure to eliminate such exceptions, or (ii) terminate this Agreement by notice given to Seller, in which event Buyer shall be entitled to a return of, and Escrow Agent shall promptly deliver, the Downpayment to Buyer. Upon such return and delivery, this Agreement shall terminate and neither party hereto shall have any further obligations hereunder other than pursuant to those provisions that expressly survive a termination of this Agreement.

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6.1.4 Right to Adjourn. Notwithstanding anything to the contrary contained herein, if Seller is unable to eliminate any Title Objections which Seller is obligated to eliminate pursuant to the provisions of this Agreement by the Closing Date, Seller, in order to attempt to eliminate such Title Objections, may adjourn the Closing to a date no later than thirty (30) days following the Scheduled Closing Date. Promptly after Seller has eliminated all such Title Objections, if any, Seller shall reschedule the Closing Date, upon at least three (3) Business Days prior notice to Buyer.

6.2 Liens, Judgments and Encumbrances. If, at the Closing, the Property is subject to any mortgage or mortgages, unpaid taxes, water charges and assessments, or any other liens, judgments and encumbrances, then the existence thereof shall not constitute a Title Objection provided that such mortgage(s), unpaid taxes, water charges and assessments, or any other liens, judgments and encumbrances are paid by Seller to the Title Company and the Title Company shall omit the same from the Title Policy.

6.3 Affidavits. If the Report discloses judgments, bankruptcies or other returns against other persons having names the same as, or similar to, that of Seller, then Seller shall deliver to the Title Company affidavits showing that such judgments, bankruptcies or other returns are not against Seller in order to induce the Title Company to omit exceptions with respect to such judgments, bankruptcies or other returns.

6.4 Violations. Notwithstanding anything to the contrary contained herein, Seller shall cure and eliminate (and pay all related fines and penalties and any accrued interest thereon), at Seller's cost and expense, any violations assessed against the Property as of the Closing Date.

6.5 Due Diligence Reviews. Except for title matters (which shall be governed by the provisions of Sections 6.1 through 6.4 hereto), Buyer shall have until 5:00 p.m. (Eastern time) on the date which is thirty five (35) days from the Stop & Shop Waiver Date (provided, however, that if Buyer shall not have received notice from Seller of the occurrence of a ROFR Waiver within the time period provided by subsection 4.2.20 hereof, Buyer shall have until 5:00 p.m. (Eastern time) on the date which is thirty (30) days from the date Buyer shall have received notice from Seller of the ROFR Waiver), TIME BEING OF THE ESSENCE (the period of time commencing upon the date hereof and continuing through and including such time on such date being herein called the "Due Diligence Period") within which to perform and complete all of Buyer's due diligence examinations, reviews and inspections of all matters pertaining to the Property, including the review of Leases, Subleases, Service Contracts, Employment Agreements, and all physical, environmental and compliance matters and conditions respecting the Premises, including, without limitation, title review (collectively, the "Investigations"), which Investigations shall at all times be subject to Buyer's compliance with the provisions of this Section 6.5. During the Due Diligence Period, Seller shall provide Buyer and the Consultants with access to the Premises upon reasonable advance notice to Seller (which notice may be delivered by telephone to Roger Calarese at (508) 528-3700. Seller shall also make available to Buyer and the Consultants, at the offices of Seller, on at least one (1) Business Day's prior notice to Seller (which notice may be delivered by telephone to Roger Calarese at (508) 528-3700, during reasonable times as mutually agreed upon by Seller and Buyer, access to such Leases, Subleases,

Service Contracts, Employment Agreements, other contracts, books, records and other documentation with respect to the Property and such books and records of

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Seller as Buyer reasonably requires in order to examine or audit the books and records of Seller with respect to the Property, and Seller shall lend its reasonable assistance to Buyer and the Consultants in connection with the Investigations.

6.6 Termination Right. If, on or before the expiration of the Due Diligence Period, Buyer shall determine, in its sole and absolute discretion and for any reason or for no reason, that it no longer intends to acquire the Property, then Buyer shall promptly notify Seller of such determination in writing on or before 5:00 p.m. (Eastern time) on the date that the Due Diligence Period shall expire (such notice being herein called the "Termination Notice"), whereupon Buyer shall be entitled to a return of, and Escrow Agent shall promptly deliver to Buyer, the Downpayment, and upon such delivery this Agreement and the obligations of the parties hereunder shall terminate (and no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive the Closing or a termination of this Agreement). In the event that Buyer shall fail to have delivered the Termination Notice to Seller on or before 5:00 p.m. (Eastern time) on the date that the Due Diligence Period shall expire, Buyer shall be deemed to have agreed that the foregoing matters are acceptable to Buyer and that it intends to proceed with the acquisition of the Property without a reduction in, or an abatement in or credit against, the Purchase Price (and, thereafter, Buyer shall have no further right to terminate this Agreement pursuant to this Section 6.6).

6.7 Stop & Shop ROFR. In the event Stop & Shop exercises the Stop & Shop ROFR on or before the Outside Date, Buyer shall be entitled to a return of, and Escrow Agent shall promptly deliver to Buyer, the Downpayment, and upon such delivery this Agreement and the obligations of the parties hereunder shall terminate (and no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive the Closing or a termination of this Agreement).

6.8 Ongoing Site Visits. Buyer and its agents, contractors, consultants and representatives ("Consultants") shall have reasonable access to the Premises on at least one (1) Business Day's prior notice to Seller (which notice may be delivered by telephone to Roger Calarese at (508) 528-3700), during reasonable times as mutually agreed upon by Seller and Buyer solely for the purpose of (i) inspecting the physical and structural condition of the Premises and conducting non-intrusive physical inspections and tests (non-intrusive physical inspections and tests shall include, for example, taking de minimis samples of building materials), and (ii) monitoring the ongoing operations of the Premises (including, without limitation, the performance by Tenants of their respective obligations under the Leases). If Buyer desires to conduct any intrusive physical inspections and tests, including a Phase II environmental inspection of the Premises, then Buyer shall identify in writing the procedures Buyer desires to perform and request Seller's consent. If Seller objects to the inspections and tests requested by Buyer, then Seller shall describe the basis for its objection to Buyer and propose to Buyer a reasonable alternative for resolving the issue giving rise to Buyer's request for intrusive physical inspections or tests. If Seller consents to the inspections and tests requested by Buyer, then Buyer and Consultants shall, in performing intrusive physical inspections or tests, (a) comply with any and all statutes, laws, ordinances, rules and regulations applicable to the Premises, (b) restore the Premises to the condition, in all material respects, in which the same was found before inspection or testing was undertaken, but in no event later than ten (10)

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Business Days after such inspection or testing occurs, and (c) carry and provide to Seller evidence of such insurance as Seller may reasonably request.

6.9 Interviews. Buyer may communicate or conduct interviews with any Tenant without the requirement of having received the prior consent of Seller; provided, however, that with respect to any interview to be conducted at the Premises, Buyer shall notify Seller (which notice may be delivered by telephone to Roger Calarese at (508) 528-3700 at least one (1) Business Day in advance of any such interview and provided further that Buyer shall not conduct interviews with Major Tenants (as that term is hereinafter defined) without first providing Seller with telephonic notice of such interview at least one (1) Business Day in advance and providing Seller with the opportunity to be present at such interview. With respect to interviews conducted at the Premises, any such interview shall not unreasonably disrupt or disturb (i) the on-going operation of the Premises, or (ii) the quiet possession of Tenants.

7.1 Closing Date.

7.1.1 The transaction contemplated herein shall be consummated at the Closing which shall take place at the offices of Seller or at such other place as shall be mutually agreed upon by Seller and Buyer on the date which is thirty (30) days after the expiration of the Due Diligence Period (the "Scheduled Closing Date"; the actual date of the Closing being herein referred to as the "Closing Date"). The parties acknowledge that Seller desires that the Closing occur within the last three (3) Business Days of a calendar month. Accordingly, in the event the Scheduled Closing Date is not within such three (3) Business Day period, same shall be, upon notice by Seller to Buyer, adjourned to one of the last three (3) Business Days of the calendar month in which the Scheduled Closing Date occurs (which notice shall designate the particular date scheduled for the Closing).

7.2 Conditions to the Closing.

7.2.1 Conditions Precedent to Buyer's Obligations. The Closing and Buyer's obligations with respect to the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions, and the obligations of the parties with respect to such conditions are as follows:

A. Title. Upon payment of all premiums by the party responsible for such cost pursuant to the terms of Section 8.3 hereof, the Title Company shall be willing to issue a title insurance policy insuring in Buyer good and marketable fee title to the Property (subject only to the Permitted Exceptions), and otherwise be in accordance with the provisions of Article VI hereof (the "Title Policy").

B. Tenant Estoppel Certificates. Seller shall request and Buyer shall have received estoppel certificates certified to Seller and Buyer (and, if requested by Buyer, Buyer's lending institution), and dated not more than thirty (30) days prior to the Closing Date ("Tenant Estoppel Certificates") duly executed by (i) each Major Tenant (as that term is hereinafter defined) and

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(ii) such other Tenants so that Tenant Estoppel Certificates shall have been received from Tenants occupying, in the aggregate, at least 80% of the rentable square footage of the Improvements (the foregoing condition, the "Estoppel Condition"). "Major Tenants" mean those Tenants set forth on Exhibit O annexed hereto. The Tenant Estoppel Certificates shall be in the form of and upon the terms set forth on Exhibit P annexed hereto. Seller shall deliver the original executed Tenant Estoppel Certificates to Buyer as and when the same shall be delivered to Seller, but in no event later than one (1) Business Day prior to the Closing Date. If any Tenant Estoppel Certificate shall have been modified or qualified in any fashion that, individually or in connection with other Tenant Estoppel Certificates, reveals facts, conditions or circumstances which result or may result in a material adverse change in the financial condition of the Property, or are inconsistent in any material respect with the representations of Seller set forth in Section 4.1 above, then Buyer may disapprove the same (such disapproved Tenant Estoppel Certificates, the "Unacceptable Certificates") by notice delivered to Seller promptly following Buyer's receipt of such Unacceptable Certificate, and, for purposes of establishing whether the Estoppel Condition has been satisfied, any Unacceptable Certificates shall be deemed not to have been received. In the event Seller the Tenant Estoppel Certificate delivered by either Stop & Shop or the Tenant known as Marshalls Department Store ("Marshalls"), is deemed to be an Unacceptable Certificate as a result of the fact that it fails to include certifications with respect to all of the matters set forth on Exhibit P, Seller shall deliver to Buyer a supplementary certification, in the form of Exhibit P, with respect to those matters contained in Exhibit P (other than the certification with respect to subordination), which are not included in the Unacceptable Certificate delivered by Marshalls and/or Stop & Shop (any such certificate, a "Seller's Certificate"). Seller shall not be obligated, in the Seller's Certificate, to make certifications which are inconsistent with the representations of Seller set forth in Section 4.1 above.

C. Manager Termination. Buyer shall have received a termination (the "Manager Termination and Release") of the management agreement entered into with Calarese Development Corporation ("Existing Property Manager") duly executed by Existing Property Manager and Seller to be dated as of the Closing Date. The Manager Termination and Release shall be substantially in the form set forth in Exhibit Q annexed hereto.

D. Representations, Warranties and Covenants of Seller. Seller shall have duly performed each and every agreement to be performed by Seller under this Agreement and Seller's representations, warranties and covenants set forth in this Agreement shall be true and correct as of the Closing Date.

E. No Material Changes. On the Closing Date, there shall have been no material adverse changes in the physical condition or operating results of the Property.

F. Seller's Deliveries. Seller shall have delivered the items described in Section 7.3 below.

The conditions set forth in this Section 7.2.1 are solely for the benefit of Buyer and may be waived only by Buyer. Buyer shall at all times have the right to waive any condition. Such waiver or waivers shall be in writing. The waiver by Buyer of any condition shall not relieve Seller of any liability or obligation as respects any representation, warranty or covenant of Seller (other than to the extent provided in Section 10.2.2 hereof). Neither Seller nor Buyer shall act or fail to act for the purpose of permitting or causing any

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condition to fail (except to the extent Buyer, in its own discretion, exercises its right to disapprove or not to waive any such items or matters). The occurrence of the Closing shall constitute approval by Buyer of all matters to which Buyer has a right of approval under this Agreement and a waiver of all conditions precedent under this Agreement.

7.2.2 Conditions Precedent to Seller's Obligations. The Closing and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions and the obligations of the parties with respect to such conditions are as follows:

A. Buyer's Deliveries. Buyer shall have delivered the items described in Section 7.4 below.

B. Covenants of Buyer. Buyer shall have duly performed each and every agreement to be performed by Buyer under this Agreement.

The conditions set forth in this Section 7.2.2 are solely for the benefit of Seller and may be waived only by Seller. Seller shall at all times have the right to waive any condition. Such waiver or waivers shall be in writing. The waiver by Seller of any condition shall not relieve Buyer of any liability or obligation as respects any covenant of Buyer unless Seller shall so agree in writing. Neither Seller nor Buyer shall act or fail to act for the purpose of permitting or causing any condition under this Section 7.2.2 to fail (except to the extent Seller, in its own discretion, exercise its right not to waive any such items or matters). The occurrence of the Closing shall constitute approval by Seller of all matters to which Seller has a right of approval under this Agreement and a waiver of all conditions precedent under this Agreement.

7.3 At the Closing, Seller shall cause to be delivered each of the following items to Buyer, duly executed by the Partnership and/or the Trust, as and to the extent applicable:

7.3.1 A deed substantially in the form of Exhibit R attached hereto and made a part hereof conveying fee simple title in the Premises to Buyer or Buyer's designee;

7.3.2 An assignment and assumption of leases for the Premises (the "Assignment and Assumption of Leases") substantially in the form of Exhibit S attached hereto and made a part hereof;

7.3.3 With respect to those Service Contracts that Buyer shall not have elected to terminate, an assignment and assumption of service contracts for the Premises (the "Assignment and Assumption of Service Contracts") substantially in the form of Exhibit T attached hereto and made a part hereof;

7.3.4 A bill of sale and general assignment for the Premises substantially in the form of Exhibit U attached hereto and made a part hereof;

7.3.5 Duly executed and sworn affidavits of the nature contemplated by Section 6.3 hereof, as reasonably required by the Title Company;

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7.3.6 A certification of non-foreign status substantially in the form of Exhibit V attached hereto and made a part hereof;

7.3.7 Requisite affidavits and consents, in form reasonably satisfactory to Buyer and the Title Company, indicating that Seller is authorized to complete the transaction contemplated by this Agreement, including, without limitation, an incumbency certificate for each of the individuals executing a document on behalf of Seller.

7.3.8 The Tenant Estoppel Certificates.

7.3.9 If applicable, the Seller's Certificate.

7.3.10 If applicable, documentation regarding Unreimbursed Stop & Shop Costs existing on the Closing Date, as described in Section 8.5 hereof.

7.3.11 The Manager Termination and Release.

7.3.12 A management agreement, substantially in the form of Exhibit W attached hereto and made a part hereof, between Buyer and an entity owned and controlled by Roger Calarese (the "New Management Agreement").

7.3.13 An Affidavit from Seller in accordance with the provisions of Section 1445 of the Internal Revenue Code of 1986, as amended.

7.3.14 A Direction of Beneficiary, substantially in the form of Exhibit X attached hereto and made a part hereof.

7.3.15 A Certificate of Trustees, substantially in the form of Exhibit Y attached hereto and made a part hereof.

7.3.16 A certificate of Seller, dated as of the Closing Date, certifying that all of the representations and warranties of Seller set forth in Section 4.1 hereof are true and correct in all material respects as of the Closing Date (or, if all of the representations are not so true and correct, and Buyer has elected, nevertheless, to proceed to Closing, a statement, specifying, with respect to such representations and warranties, the respects in which the same are not true and correct).

7.3.17 The Plans and Specifications.

7.3.18 All sums required to be paid by Seller under this Agreement.

7.4 At the Closing, Buyer shall cause to be delivered each of the following items, duly executed by Buyer, if applicable:

7.4.1 The Balance, in the manner provided in Sections 2.2.2 and 2.2.3 hereof;

7.4.2 The Prepayment Consideration;

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7.4.3 The Assignment and Assumption of Leases;

7.4.4 The Assignment and Assumption of Service Contracts; and

7.4.5 The New Management Agreement.

7.5 Casualty and Condemnation.

7.5.1 Condemnation

A. If, prior to the Closing Date, all or any "material" portion of the Premises is taken by eminent domain or condemnation (or is the subject of a pending or contemplated eminent domain or condemnation proceeding which has not been consummated), then Seller shall notify Buyer of such fact, and Buyer shall have the option:

(i) to terminate this Agreement, in which event the Escrow Agent shall return the Downpayment to Buyer, and, thereupon no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive a termination of this Agreement; or

(ii) to accept title to the Property without any abatement of the Purchase Price.

B. In the event of the taking of a portion of the Premises that is not "material", or if a "material" portion is so taken, but Buyer elects to accept title to the Premises, Seller shall assign and turn over to Buyer at the Closing, and Buyer shall be entitled to receive and keep, all amounts awarded or to be awarded as the result of the taking. In either of such events, (a) Seller shall not, prior to Closing, settle any action or claim with respect to any eminent domain or condemnation proceeding without Buyer's prior written consent, and (b) Seller agrees to cooperate with Buyer in good faith in connection with all eminent domain and condemnation proceedings including, without limitation, executing all documents and instruments necessary to allow Buyer, following the Closing, to settle all actions and claims and collect all sums in connection therewith.

7.5.2 Casualty.

A. If, prior to the Closing Date, all or any "material" portion of the Premises is damaged or destroyed or otherwise affected by a fire or other casualty, then Seller shall notify Buyer of such fact, and Buyer shall have the option:

(i) to terminate this Agreement, in which event the Escrow Agent shall return the Downpayment to Buyer, and, thereupon, no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive the termination of this Agreement; or

(ii) to accept title to the Property in its existing condition without any abatement of the Purchase Price, in which event Seller shall pay and assign to Buyer, at the Closing, all of Seller's right, title and interest in and to the insurance proceeds awarded or to be awarded to Seller as the result

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of such damage or destruction, and Buyer shall receive a credit for any deductible under Seller's insurance policies. In such event, (y) Seller shall not, prior to Closing, settle any insurance claim without Buyer's prior written consent and (z) Seller agrees to cooperate with Buyer in good faith in connection with the settlement of all insurance claims including, without limitation, executing all documents and instruments necessary to allow Buyer, following the Closing, to settle and collect all sums in connection therewith.

7.5.3 A "material" part of the Premises shall be deemed to have been taken by eminent domain or condemnation, or damaged or destroyed or otherwise affected by a fire or other casualty, if (a) the value of the Premises (as reasonably determined by Buyer) shall be reduced by an amount equal to or greater than Two Hundred Thousand Dollars (\$200,000.00) or (b) as a result thereof, access to the Premises shall be materially and adversely affected (as reasonably determined by Buyer) or the remaining available number of parking spaces shall be less than the minimum legally or contractually required or (c) if Tenants occupying more than Ten Thousand (10,000) square feet of gross leasable area have the right to terminate their Leases in connection with such taking by eminent domain or condemnation or casualty.

7.5.4 The provisions of this Section 7.5 shall survive the Closing.

ARTICLE VIII Prorations and Adjustments

8.1 The following prorations and adjustments shall be made between the parties as of 11:59 p.m. on the day preceding the Closing Date (the "Proration Date") on the basis of the actual number of days elapsed over the applicable period:

A. (i) All fixed rents and estimated payments on account of Overage Rent under Leases which are collected on or prior to the Proration Date in respect of the month (or other applicable collection period) in which the Closing occurs (the "Current Month"), shall be adjusted on a per diem basis based upon the number of days in the Current Month prior to the Proration Date and the number of days in the Current Month on and after the Proration Date.

(ii) If, on the Proration Date, any fixed rents are past due by any Tenant, and provided Seller has delivered to Buyer, in reasonable detail, a breakdown of all such past due amounts as of the Proration Date, then Buyer agrees that the first moneys received from each such Tenant shall be disbursed as follows:

(1) first, such moneys shall be applied to fixed rents in respect of the Current Month, it being agreed that one hundred percent (100%) of the fixed rent that is attributable to the portion of the Current Month prior to the Proration Date shall go to Seller and the balance shall go to Buyer;

(2) second, to Buyer until all fixed rents owing by all such Tenants for any period after the Current Month through the month in which payment is received have been paid in full;

(3) third, to Seller until all fixed rents owing by all such Tenants for periods prior to the Current Month have been paid in full; and

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(4) fourth, the balance, if any, shall go to Buyer.

Each party agrees to remit reasonably promptly to the other the amount of such rents to which such party is so entitled and to account to the other party monthly in respect of same. The fixed rents received by Buyer and/or Seller after the Proration Date shall be apportioned and remitted, if applicable, as hereinabove provided.

Notwithstanding anything herein contained to the contrary, Buyer shall use reasonable efforts to collect both fixed rent and Overage Rent which is past due on the Proration Date. In the event that any such rent is not collected

within ninety (90) days from the Closing Date, Seller may use reasonable efforts to collect the same in its own name and Buyer shall cooperate, in all reasonable respects, with Seller in attempting to collect the same; provided, however, Seller shall not take any actions which result in the dispossession of any Tenant or the termination of any Lease. Seller shall be permitted to take any action it deems appropriate with respect to amounts past due from former tenants of the Premises, and Buyer shall have no interest therein. Additionally, Seller shall be entitled to receive proceeds, if any, from bankruptcy proceedings relating to the Tenants known as Weathervane, Toy Works, and Cambridge Eye, in the amounts set forth on the Rent Roll, and Buyer shall have no interest therein.

(iii) If the Proration Date shall occur prior to the time when any rental payments for percentage rent fuel pass-alongs, so-called escalation rent or charges based upon real estate taxes, insurance, operating expenses, labor costs, cost of living increases, electrical charges, water and sewer charges or like items (collectively, "Overage Rent") are payable, then such Overage Rent for the applicable accounting period in which the Proration Date occurs shall be apportioned subsequent to the Closing, based upon the portion of such accounting period which occurs prior to the Proration Date (to the extent not theretofore collected by Seller, on account of such Overage Rent prior to the Proration Date), it being agreed that one hundred percent (100%) of the Overage Rent that is attributable to the portion of such accounting period that shall occur prior to the Proration Date shall belong to Seller and the balance shall belong to Buyer. In addition, Buyer shall pay to Seller one hundred percent (100%) of all Overage Rent that is paid subsequent to the Proration Date with respect to an accounting period which expired prior to the Proration Date, within thirty (30) days after receipt thereof by Buyer. Seller has collected payment from Tenants under Leases in advance on account of insurance carried by Seller with respect to the Premises for the one (1) year period ending March 28, 2005. Such pre-payments shall be apportioned at the Closing on a per diem basis based upon the actual number of days in the period with respect to which said insurance relates prior to the Proration Date and the number of days in such period on and after the Proration Date.

(iv) Overage Rent and any percentage rent payable by Tenants based on an estimated amount and subject to adjustment or reconciliation pursuant to the related Leases subsequent to the Proration Date shall be apportioned as provided in subsection (iii) above and shall be re-apportioned as and when the applicable Tenant's actual obligation for such Overage Rent is reconciled pursuant to the applicable Lease.

B. All real estate taxes, unmetered water and sewer charges, fire protection and hydrant charges, elevator inspection fees, and vault charges, if any, and any and all other municipal or governmental assessments of any and every nature levied or imposed upon the Property (collectively, "Taxes") in

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respect of the current fiscal year of the applicable taxing authority in which the Closing occurs (the "Current Tax Year") (other than real estate taxes, water and sewer charges and any other municipal or governmental assessments payable by any Tenant directly to the taxing authority under any Lease), shall be allocated on a per diem basis based upon the number of days in the Current Tax Year prior to the Proration Date and the number of days in the Current Tax Year on and after the Proration Date. If, as of the Proration Date, Taxes for the Current Tax Year shall not have been paid with respect to the period prior to the Proration Date, then the amount equal to the unpaid Taxes for the period prior to the Proration Date shall be paid by Seller to Buyer at the Closing. If the Closing shall occur before the tax rate for the Current Tax Year is fixed, then the apportionment of Taxes shall be upon the basis of the tax rate for the next preceding fiscal period applied to the latest assessed valuation. Promptly after the new tax rate is fixed for the fiscal period in which the Closing takes place, the apportionment of Taxes shall be recomputed. In the event that any assessments levied or imposed upon the Property are payable in installments, the installment for the Current Tax Year shall be prorated in the manner set forth above.

C. All charges and fees due under contracts for the supply to the Premises of heat, steam, electric power, gas and light and telephone (collectively, "Charges"), if any, in respect of the billing period of the related service provider in which the Closing occurs (the "Current Billing Period") shall be allocated on a per diem basis based upon the number of days in the Current Billing Period prior to the Proration Date and the number of days in the Current Billing Period on and after the Proration Date and assuming that all charges are incurred uniformly during the Current Billing Period. If, as of the Proration Date, Charges for the Current Billing Period shall not have been paid with respect to the period prior to the Proration Date, then the amount equal to the unpaid Charges for the period prior to the Proration Date shall be paid by Seller to Buyer at the Closing.

D. Any charges or fees for transferable licenses and permits relating to the Property (but without duplication of items apportioned pursuant to any other provision of this Article VIII) (collectively, "Permit Charges") in

respect of the Current Billing Period shall be allocated on a per diem basis based upon the number of days in the Current Billing Period prior to the Proration Date and the number of days in the Current Billing Period on and after the Proration Date and assuming that all charges are incurred uniformly during the Current Billing Period. If, as of the Proration Date, Permit Charges for the Current Billing Period shall not have been paid with respect to the period prior to the Proration Date, then the unpaid Permit Charges for the period prior to the Proration Date shall be paid by Seller to Buyer at the Closing.

E. Any charges payable under Service Contracts being assigned to Buyer at the Closing (but without duplication of items apportioned pursuant to any other provision of this Article VIII) (collectively, "Service Contract Charges"), in respect of the Current Billing Period shall be allocated on a per diem basis based upon the number of days in the Current Billing Period prior to the Proration Date and the number of days in the Current Billing Period on and after the Proration Date and assuming that all charges are incurred uniformly during the Current Billing Period. If, as of the Proration Date, Service Contract Charges for the Current Billing Period shall not have been paid with respect to the period prior to the Proration Date, then an amount equal to the unpaid Service Contract Charges for the period prior to the Proration Date shall be paid by Seller to Buyer at the Closing.

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F. If there is a fuel meter or meters on the Premises (other than meters measuring consumption costs which are the obligation of any Tenants), then Seller shall endeavor to furnish a reading to a date not more than thirty (30) days prior to the Proration Date, and the unfixed meter charges, if any, based thereon for the intervening time shall be apportioned on the basis of such last reading. If Seller fails or is unable to obtain such reading, then the amount equal to the value of all fuel, if any, then stored at the Property shall be calculated on the basis of Seller's last costs therefor, including sales tax, as evidenced by written statements of the fuel oil supplier(s) for the Premises, which statements shall be conclusive as to quantity and cost, absent fraud. Any unpaid fuel charges attributable to the period prior to the Proration Date shall be paid by Seller to Buyer at the Closing.

G. If there is a water meter or meters on the Property (other than meters measuring consumption costs which are the obligation of any Tenants), then Seller shall endeavor to furnish a reading to a date not more than thirty (30) days prior to the Proration Date, and the unfixed meter charges and the unfixed sewer rents, if any, based thereon for the intervening time shall be apportioned on the basis of such last reading. If Seller fails or is unable to obtain such reading, then the amount of the meter charges and sewer rents shall be determined on the basis of the last readings and bills received by Seller, and the same shall be appropriately readjusted after the Closing on the basis of the next subsequent bills. Any unpaid water or sewer charges attributable to the period prior to the Proration Date shall be paid by Seller to Buyer at the Closing.

H. Any other items customarily apportioned in connection with sales of similar property in the Commonwealth of Massachusetts shall be so apportioned.

8.2 If any of the items described in this Article VIII cannot be apportioned at the Closing because of the unavailability of information as to the amounts which are to be apportioned or otherwise, or are incorrectly apportioned at Closing or subsequent thereto, such items shall be apportioned or reapportioned, as the case may be, as soon as practicable after the Proration Date or the date such error is discovered, as applicable. The parties shall make the appropriate adjusting payment between them within thirty (30) days after presentment of the calculation. All books and records of Seller which relate to the Property, and particularly to any items to be prorated or allocated under this Agreement in connection with the Closing, shall be made available to both Seller and Buyer and their respective employees, agents and representatives. Any such inspection shall be at reasonable intervals, during business hours, upon reasonable notice, and at the inspecting party's sole cost and expense.

8.3 Closing Costs. Buyer shall pay the title insurance premium for the Title Policy and the cost of all endorsements to the Title Policy. Seller and Buyer shall pay their respective legal, consulting and professional fees and expenses incurred in connection with this Agreement and the transaction contemplated hereby.

8.4 Tenant Costs. All brokerage commissions and expenses for work to be done for tenant improvements other than expenses for tenant improvement work to be done in connection with the Stop & Shop Expansion (and the relocation of Village Liquors and HB) in connection with any leases entered into on or prior to the date hereof which commissions and expenses were not paid prior to the Proration Date shall be paid by Seller to Buyer at the Closing. In the event

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Seller, with Buyer's consent, enters into any lease after the date hereof, all brokerage commissions and expenses for work to be done for tenant improvements in connection with any such lease shall be paid by Buyer to Seller at the Closing (provided that Buyer instructed or authorized Seller to incur such cost or that such cost was specifically contemplated by the terms of such lease to be paid by the landlord thereunder).

8.5 Costs relating to Stop & Shop Expansion (and the relocation of Village Liquors and HB). At the Closing, Seller shall deliver to Buyer an accounting, and reasonably detailed back-up for Seller's then existing Unreimbursed Stop & Shop Costs. Buyer agrees that it shall use its commercially reasonable efforts, without obligation to incur cost or expense or to commence dispossession proceeding, to recover such Unreimbursed Stop & Shop Costs from Stop & Shop and shall, upon Buyer's receipt of same, promptly forward same to Seller. The parties acknowledge that Stop & Shop is obligated, pursuant to the terms of the Stop & Shop Amendment, to make payments to the owner of the Premises on account of the costs resulting from the Village Liquor relocation. To the extent the reasonable and actual costs incurred by Buyer in connection with the performance of the work contemplated by the Village Liquor Amendment and the HB Lease, exceeds the amounts for which Stop & Shop is, pursuant to the terms of the Stop & Shop Amendment, responsible, Buyer shall provide an accounting and reasonably detailed back-up with respect thereto, and Seller shall promptly reimburse Buyer for same. If Seller has performed work pursuant to the Village Liquor Amendment prior to the Closing, Seller shall, on or before the Closing Date, provide an accounting, and reasonably detailed back-up with respect thereto. Upon the receipt by Buyer of final funds from Stop & Shop on account of the Village Liquor relocation pursuant to the Stop & Shop Amendment, Buyer shall promptly reimburse Seller for the reasonable and actual costs incurred by Seller, but only to the extent that the funds so provided by Stop & Shop exceed the reasonable and actual costs incurred by Buyer in connection with performance of work contemplated by the Village Liquor Amendment and the HB Lease.

8.6 Existing Property Management Agreement. All accrued fees pursuant to the Existing Property Management Agreement shall be paid by Seller at or prior to Closing..

8.7 Transfer Tax. All transfer, stamp tax, or other similar taxes attributable to the sale of the Property shall be paid by Seller and shall be paid contemporaneously with the Closing.

8.8 Prepayment Consideration and Interest Shortfall Payment. The payment of Prepayment Consideration shall be paid by Buyer at the Closing. The payment of the Interest Shortfall Payment and any other fees or sums relating to the repayment of the Mortgage Loan shall be paid by Seller at the Closing.

8.9 Survival. Notwithstanding anything to the contrary contained herein, the provisions of this Article VIII shall survive the Closing.

ARTICLE IX Escrow Terms

9.1 Depository. The Downpayment shall be held in escrow by Commonwealth Land Title Insurance Company ("Escrow Agent"), in a special interest bearing

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commercial bank account, designated as a "trust account" or an "escrow account", at JPMorgan Chase Bank (or its successor) in New York, New York.

9.2 Escrow Instructions. If the Closing takes place, then Escrow Agent shall deliver the Downpayment to, or upon the instructions of, Seller at the Closing. If this Agreement is terminated in accordance with the terms hereof, then, subject to Section 9.4 hereof, Escrow Agent shall pay the Downpayment to, or upon the instructions of, the party entitled thereto in accordance with the provisions of this Agreement. If the Closing does not occur by reason of the failure of either party to comply with such party's obligations hereunder, then, subject to Section 9.4 hereof, Escrow Agent shall pay the Downpayment to, or upon the instructions of, the party entitled thereto in accordance with the provisions of this Agreement.

9.3 Scope of Duties. The duties of Escrow Agent shall be only as herein specifically provided, and are purely ministerial in nature. Escrow Agent shall incur no liability whatever except for willful misconduct or gross negligence, as long as Escrow Agent has acted in good faith. Seller and Buyer acknowledge that Escrow Agent is serving without compensation and solely as an accommodation to the parties hereto. Escrow Agent shall not be liable or responsible for the funds being held in escrow or for the collection of the proceeds of the check for the Downpayment or for the interest earned thereon. In the performance of its duties hereunder, Escrow Agent shall be entitled to rely upon the authenticity of any signature and the genuineness and validity of any writing received by Escrow Agent pursuant to or otherwise relating to this Agreement. Escrow Agent may assume that any Person purporting to give any notice or instructions in accordance with the provisions hereof has been duly authorized to do so. Escrow Agent shall not be bound by any modification, cancellation or

rescission of this Agreement unless (i) such modification, cancellation or rescission is in writing and signed by Seller and Buyer, and (ii) a copy of such modification, cancellation or rescission is delivered to Escrow Agent. Escrow Agent shall not be bound in any way by any other contract or understanding between the parties hereto, whether or not Escrow Agent has knowledge thereof or consents thereto, unless such consent is given in writing.

9.4 Dispute. Escrow Agent is acting as a stakeholder only with respect to the Downpayment and the interest earned thereon. If a party requests disbursement of the Downpayment for any reason other than the Closing having occurred, then Escrow Agent shall give written notice to the other party of such request. Such other party shall have the right to dispute the disbursement of the Downpayment to the requesting party only by delivering notice thereof to Escrow Agent on or prior to the tenth (10th) day after the date when Escrow Agent gives such notice. Notwithstanding anything to the contrary contained herein, Escrow Agent shall not disburse the Downpayment until the day immediately following the last day of such ten (10) day period. If there is any dispute as to whether Escrow Agent is obligated to deliver the Downpayment or as to whom said Downpayment is to be delivered, then Escrow Agent shall not make any delivery, but in such event Escrow Agent shall hold the same until Escrow Agent receives (a) notice from the objecting party withdrawing the objection, or (b) a notice signed by both parties directing disposition of the Downpayment, or (c) a non-appealable judgment or order of a court of competent jurisdiction. If such notice is not received, or proceedings for such determination are not begun, within thirty (30) calendar days after the date set forth herein for the Closing (as the same may have been changed by agreement of the parties) and diligently continued, then Escrow Agent shall have the right to (w) hold and retain all or any part of the Downpayment until such dispute is settled or

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finally determined by litigation, arbitration or otherwise, or (x) deposit the Downpayment, together with the interest earned thereon, in an appropriate court of law, following which Escrow Agent shall thereby and thereafter be relieved and released from any liability or obligation under this Agreement, or (y) institute an action in interpleader or other similar action permitted by stakeholders in the Commonwealth of Massachusetts, or (z) interplead any of the parties in any action or proceeding which may be brought to determine the rights of the parties to all or any part of the Downpayment.

9.5 Indemnity. Seller and Buyer hereby agree to, jointly and severally, indemnify, defend and hold Escrow Agent harmless from and against any liabilities, damages, losses, costs or expenses incurred by, or claims or charges made against, Escrow Agent (including reasonable counsel fees and court costs) by reason of Escrow Agent's acting or failing to act in connection with any of the matters contemplated by this Agreement or in carrying out the terms of this Agreement, except as a result of Escrow Agent's bad faith, gross negligence or willful misconduct. This Section 9.5 shall not limit the right of Buyer and Seller to assert claims against each other with respect to said indemnity.

9.6 Release from Liability. Upon the disbursement of the Downpayment, together with the interest earned thereon, in accordance with this Agreement, Escrow Agent shall be relieved and released from any liability hereunder.

9.7 Resignation. Escrow Agent may resign at any time upon at least ten (10) days prior written notice to the parties hereto. If, prior to the effective date of such resignation, the parties hereto shall all have approved, in writing, a successor escrow agent, then upon the resignation of Escrow Agent, Escrow Agent shall deliver the Downpayment, together with the interest earned thereon, to such successor escrow agent. From and after such resignation and the delivery of the Downpayment, together with the interest earned thereon, to such successor escrow agent, Escrow Agent shall be fully relieved of all of its duties, responsibilities and obligations under this Agreement, all of which duties, responsibilities and obligations shall be performed by the appointed successor escrow agent. If for any reason the parties hereto shall not approve a successor escrow agent within such period, then Escrow Agent may bring any appropriate action or proceeding for leave to deposit the Downpayment, together with the interest earned thereon, with a court of competent jurisdiction, pending the approval of a successor escrow agent, and upon such deposit Escrow Agent shall be fully relieved of all of its duties, responsibilities and obligations under this Agreement.

9.8 Execution of Agreement by Escrow Agent. Escrow Agent has executed this Agreement solely to confirm that Escrow Agent has received a check (subject to collection) or a wire transfer for the Downpayment and shall hold the Downpayment in escrow, pursuant to the provisions of this Agreement.

9.9 Loss of Downpayment. Escrow Agent shall not have any liability or obligation for loss of all or any portion of the Downpayment by reason of the insolvency or failure of the institution of depository with whom the escrow account is maintained.

9.10 Taxpayer Identification Numbers. Each Seller and Buyer represents that its respective taxpayer identification number is as set forth on Exhibit Z annexed hereto.

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ARTICLE X
Remedies

10.1 Buyer Default.

10.1.1 If Buyer shall default in the payment of the Balance, then Seller may terminate this Agreement and retain the Downpayment. Buyer acknowledges that, if Buyer shall default under this Agreement as aforesaid, then Seller will suffer substantial adverse financial consequences as a result thereof. Accordingly, Seller's sole and exclusive remedy against Buyer shall be the right to retain the Downpayment, as and for its sole and full and complete liquidated damages, it being agreed that Seller's damages are difficult, if not impossible, to ascertain, and Buyer and Seller shall have no further rights or obligations under this Agreement, except those expressly provided herein to survive the termination of this Agreement.

10.1.2 In the event the Closing occurs, the foregoing provisions of Section 10.1.1 shall not prevent Seller from pursuing a post-Closing action against Buyer relating to Article V, Article VIII, or Section 11.16 hereof.

10.2 Seller Default

10.2.1 If Seller shall default hereunder for any reason in the performance of any of its covenants or obligations under this Agreement, then Buyer may, as its sole remedy, elect to either (x) terminate this Agreement, and direct the Escrow Agent to return the Downpayment to Buyer, and, upon such return, Buyer and Seller shall have no further rights or obligations under the Agreement, except those expressly provided herein to survive the termination of this Agreement, or (y) require Seller to convey such title to the Property as Seller is then able to convey or prosecute an action for specific performance of this Agreement requiring Seller to convey such title to the Property as Seller is then able to convey. In the event (i) Buyer elects to terminate this Agreement, as aforesaid, as a result of a default by Seller hereunder, if such default shall result from or relate to (A) an intentional failure or refusal by Seller to close title, or (B) an intentional breach by Seller of a covenant hereunder, or (ii) any of the representations or warranties given by Seller in this Agreement are untrue or incorrect in any material respect on the Closing Date (and same results from an intentional misrepresentation or breach of warranty by Seller), Seller shall pay to Buyer all reasonable and actual third party costs incurred by Buyer in connection with this Agreement and the transactions contemplated to occur hereunder, up to a maximum amount of One Hundred Thousand Dollars (\$100,000.00).

10.2.2 If (1) Seller shall default in the performance of any of its covenants or obligations under this Agreement, and Buyer shall have actual knowledge of such default prior to Closing, and Buyer shall thereafter close title to the Property, or (2) any of Seller's representations and warranties set forth herein shall not be true and correct in all material respects, and Buyer shall have actual knowledge of such default prior to the Closing, and Buyer shall thereafter close title to the Property, then, in either such case, Buyer shall thereafter have no right to bring any action or proceeding for damages against Seller arising by reasons of any such default or misrepresentation (the right to bring such actions or proceedings being expressly and voluntarily waived by Buyer following and upon advice of its counsel).

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10.2.3 If (1) Seller shall default in the performance of any of its covenants or obligations under this Agreement, and Buyer shall first have actual knowledge of such default after the Closing, or (2) any of Seller's representations and warranties set forth herein shall not be true and correct in all material respects, and Buyer shall first have actual knowledge of such default after the Closing, Buyer shall have the right to bring an action for damages against Seller. Notwithstanding the foregoing, Buyer shall not have the right to bring such action in the event Buyer's actual damages are less than Fifty Thousand Dollars (\$50,000.00) (the "Threshold Amount"), but, in the event Buyer's damages are equal to or exceed the Threshold Amount, Buyer shall have the right to bring such action for the full amount of Buyer's damages (including the portion of such damages constituting the Threshold Amount). The concept of the Threshold Amount shall not apply with respect to any post-Closing action relating to Article V, Article VIII, or Section 11.16 hereof.

ARTICLE XI

Miscellaneous

11.1 Survival. Except as expressly provided herein, all representations, warranties, covenants and agreements of Buyer and Seller contained in this Agreement shall merge into the documents executed at Closing and shall not survive the Closing.

11.2 Notices. Any notice required or permitted to be delivered herein shall be deemed to be delivered (a) when received by the addressee if delivered by courier service, (b) if mailed, two (2) days after deposit in the United States Mail, postage prepaid, certified mail, return receipt requested, (c) if sent by recognized overnight service (such as US Express Mail, Federal Express, UPS, Airborne, etc.), then one (1) day after delivery of same to an authorized representative or agency of the said overnight service or (d) if sent by a telecopier, when transmission is received by the addressee with electronic or telephonic confirmation, in each such case addressed or telecopied to Seller or Buyer, as the case may be, at the address or telecopy number set forth opposite the signature of such party hereto. Notifications are as follows:

TO SELLER: Franklin Village Trust
1000 Franklin Village Drive
Franklin, Massachusetts 02038
Attention: Roger V. Calarese, Trustee
Telecopier: (508) 528-0053

with a copy to: Michael Myerow, Esq.
365 Boston Post Road #114
Sudbury, Massachusetts 01776
Telecopier: (978) 443-0566

TO BUYER: Cedar-Franklin Plaza LLC
44 South Bayles Avenue
Port Washington, New York 11050
Attention: Leo S. Ullman
Telecopier: (516) 767-6497

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with a copy to: Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, New York 10038
Attention: Mark A. Levy, Esq.
Telecopier: (212) 806-6006

TO ESCROW AGENT: Commonwealth Land Title Insurance Company
655 Third Avenue
11th Floor
New York, NY 10017
Attention: Cathy J. Snider
Telecopier: (212) 557-2148

11.3 Gender; Numbers. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural and vice versa unless the context requires otherwise. Reference herein to the "Seller" shall refer to both of the Trust and the Partnership, collectively, and to each and/or either of them individually. The liability of Seller under this Agreement shall be joint and several.

11.4 Headings. The captions used in connection with the articles and sections of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language of this Agreement.

11.5 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES OF SUCH STATE.

11.6 Waiver of Trial by Jury. THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER ARISING IN TORT OR CONTRACT) BROUGHT BY ANY PARTY AGAINST ANOTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT. ANY SUCH ACTION, PROCEEDING, OR COUNTERCLAIM SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS LOCATED WITHIN THE COMMONWEALTH OF MASSACHUSETTS.

11.7 Holidays. If the final date of any period provided for herein for the performance of an obligation or for the taking of any action falls on a Saturday, Sunday or banking holiday, then the time of such period shall be deemed extended to the next day which is not a Saturday, Sunday or banking holiday in either or both of the State of New York and the Commonwealth of Massachusetts. The term "Business Day" means a day other than a Saturday, Sunday or any such banking holiday.

11.8 Interpretation. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party

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shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

11.9 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, then such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement, provided that both parties may still effectively realize the complete benefit of the transaction contemplated hereby.

11.10 Amendments. No modification or amendment of this Agreement shall be effective unless made in writing and executed by both Seller and Buyer. In the event any approval or consent is required pursuant to any provision of this Agreement, such approval or consent shall be deemed given only if it is in writing, executed by the party whose approval or consent is required.

11.11 Confidentiality. Neither Seller nor Buyer shall, without the prior consent of the other party, take out any advertisement to publicize the transaction contemplated by this Agreement. Buyer agrees that all information concerning Seller, its beneficiaries, or the Property supplied by Seller or discovered in connection with its Investigations (other than information in the public domain at the time supplied to or discovered by Buyer), shall be used solely in connection with Buyer's acquisition of the Property and that Buyer shall not disclose such information to third parties prior to the Closing. Notwithstanding the foregoing, Buyer may, prior to the Closing, disclose such of the information regarding the Property (i) as required by law or court order (provided prior written notice of such disclosure shall be provided to Seller) and (ii) as Buyer deems necessary or desirable in connection with the Investigations and the transaction contemplated hereby, provided that those to whom such information and/or material is disclosed are informed of the confidential nature thereof and agree(s) to keep the same confidential in accordance with the terms and conditions hereof. In the event that the Closing shall not occur, for reasons other than a Seller default hereunder, Buyer shall return to Seller all information concerning the Property delivered or made available to Buyer by Seller. The provisions of this Section 11.16 shall survive the Closing or earlier termination of this Agreement.

11.12 Entire Agreement. This Agreement embodies the entire agreement between the parties and cannot be varied except by the written agreement of the parties. Seller make no representations, warranties or agreements with respect to Property, except as set forth in this Agreement.

11.13 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by Seller to Buyer at Closing, Seller agree to perform, execute and/or deliver or cause to be delivered, executed and/or delivered, but without any obligation to incur any additional liability or expense, on or after the Closing any and all further acts, deeds and assurances as may be reasonably necessary to consummate the transactions contemplated hereby.

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11.14 Assignment. Buyer may assign Buyer's rights or delegate Buyer's duties under this Agreement, but only to one or more entities managed or controlled by Cedar Shopping Centers Partnership, L.P. The said assignee shall assume all obligations of Buyer under this Agreement by a written instrument approved in form and substance by Seller which approval shall not be unreasonably withheld or delayed. Except as hereinbefore set forth, this Agreement may not be assigned by Buyer.

11.15 1031 Exchange. Seller and Buyer agree that either party may consummate the sale or purchase of the Property in whole or in part as part of one or more so-called "like-kind exchanges" (individually, an "Exchange") pursuant to Section 1031 of the Internal Revenue Code (the "Code") and that the non-exchanging party will reasonably cooperate with the exchanging party in its efforts to do so, provided that (a) the Closing shall not be delayed or affected by reason of the Exchange nor shall the consummation of obligations under this Agreement be so delayed or affected; (b) the exchanging party shall affect the Exchange through a qualified intermediary and the non-exchanging party shall not be required to acquire or hold title to any real property for the purposes of consummating the Exchange, and (c) the exchanging party shall indemnify the non-exchanging party from, and the exchanging party shall pay, any additional costs that would not otherwise have been incurred by the non-exchanging party

had the exchanging party not consummated this transaction through the Exchange. The non-exchanging party shall not by this Agreement or its acquiescence to the Exchange (a) have its 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 exchanging party that the Exchange in fact complies with Section 1031 of the Code, or (c) incur any liability whatsoever in connection with the Exchange.

11.16 Indemnity.

11.16.1 Buyer hereby agrees to indemnify and hold harmless Seller from and against any and all acts, suits, proceedings, demands, assessments, judgments, costs (including, without limitation, reasonable attorneys' fees and court costs), loss, damage or liability (collectively, "B-Claims") resulting to Seller arising from personal injury, death or property damage occurring at the Premises after the Closing Date. In the event that any B-Claim shall be asserted by any party against Seller or the Premises which, if sustained, would result in a liability of Buyer to Seller under this Section, Seller shall, as soon as reasonably possible after learning of such claim, notify Buyer thereof and Buyer shall be entitled to defend (with counsel selected by Buyer and reasonably acceptable to Seller) such B-Claim and shall have the right to settle or compromise any such B-Claim (provided Seller is released from liability in connection therewith).

11.16.2 Seller hereby agrees to indemnify and hold harmless Buyer from and against any and all acts, suits, proceedings, demands, assessments, judgments, costs (including, without limitation, reasonable attorneys' fees and court costs), loss, damage or liability (collectively, "S-Claims") resulting to Buyer arising from personal injury, death or property damage occurring at the Premises before the Closing Date. In the event that any S-Claim shall be asserted by any party against Buyer or the Premises which, if sustained, would result in a liability of Seller to Buyer under this Section, Buyer shall, as soon as reasonably possible after learning of such claim, notify Seller thereof and Seller shall be entitled to defend (with counsel selected by

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Seller and reasonably acceptable to Buyer) such S-Claim and shall have the right to settle or compromise any such S-Claim (provided Buyer is released from liability in connection therewith).

11.17 Multiple Counterpart. This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures thereto and hereto were on the same instrument.

11.18 Facsimile. Delivery of this Agreement by facsimile by any party shall represent a valid and binding execution and delivery of this Agreement by such party.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

FRANKLIN VILLAGE TRUST

By: _____

Name: Roger V. Calarese
Title: Trustee

By: _____

Name: A. Richard Calarese
Title: Trustee

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

ESCROW AGENT (and to acknowledge
agreement with Article IX)

COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: _____
Name:
Title:

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Joinder

Franklin Village Development Limited Partnership (the "Partnership"), a Massachusetts limited partnership, the sole beneficiary of Franklin Village Trust, hereby acknowledges and consents to the execution of that certain Agreement of Purchase and Sale (the "Contract"), of even date herewith, by and between Roger V. Calarese and A. Richard Calarese, as trustees of the Franklin Village Trust, dated January 19, 1979, as amended ("Seller"), and Cedar-Franklin Village LLC, a Delaware limited liability company ("Buyer").

The Partnership hereby joins Seller in the making all of the representations made by Seller in the Contract and in all of the documents delivered by Seller at the Closing (as that term is defined in the Contract). Additionally, the Partnership guaranties the performance of all of the obligations and covenants made by Seller in the Contract. Finally, the Partnership covenants to deliver at the Closing those documents contemplated in the Contract to be so delivered by the Partnership.

The terms of this Joinder shall survive the Closing.

Franklin Village Development Limited Partnership,
a Massachusetts limited partnership

By: Franklin Village Development Corporation,
a Massachusetts corporation, its general
partner

By: _____
Name:
Title:

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AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "Amendment") is made and entered into as of the 2nd day of September, 2004, by and between Roger V. Calarese and A. Richard Calarese, as trustees of the Franklin Village Trust, dated January 19, 1979, as amended ("Seller"), having an office at 1000 Franklin Village Drive, Franklin, Massachusetts 02038, and Cedar-Franklin Village LLC, a Delaware limited liability company ("Buyer"), having an office c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Port Washington, New York 11050.

WHEREAS, Buyer and Seller have entered into that certain Agreement of Purchase and Sale, dated as of August 2, 2004 (the "Agreement").

WHEREAS, Seller and Buyer desire to amend the terms of the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, in consideration of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Seller and Buyer hereby covenant and agree as follows:

- 1. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.
- 2. The Due Diligence Period shall be extended and shall expire at 5:00 p.m. (Eastern time) on September 10, 2004.
- 3. Except as expressly modified or amended by this Amendment, all of the terms, covenants and conditions of the Agreement are hereby ratified and confirmed.
- 4. Except insofar as reference to the contrary is made in any such instrument, all references to the "Agreement" in any future correspondence or notice shall be deemed to refer to the Agreement as modified by this Amendment.
- 5. This Amendment may be signed in any number of counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures thereto and hereto were on the same instrument.
- 6. Delivery of this Amendment by facsimile by any party shall represent a valid and binding execution and delivery of this Amendment by such party.

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

FRANKLIN VILLAGE TRUST

By: _____
Name: Roger V. Calarese
Title: Trustee

By: _____
Name: A. Richard Calarese
Title: Trustee

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "Amendment") is made and entered into as of the 10th day of September, 2004, by and between Roger V. Calarese and A. Richard Calarese, as trustees of the Franklin Village Trust, dated January 19, 1979, as amended ("Seller"), having an office at 1000 Franklin Village Drive, Franklin, Massachusetts 02038, and Cedar-Franklin Village LLC, a Delaware limited liability company ("Buyer"), having an office c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Port Washington, New York 11050.

WHEREAS, Buyer and Seller have entered into that certain Agreement of Purchase and Sale, dated as of August 2, 2004, as amended by that certain Amendment to Agreement of Purchase and Sale, dated as of September 2, 2004 (as amended, the "Agreement").

WHEREAS, Seller and Buyer desire to amend the terms of the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, in consideration of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Seller and Buyer hereby covenant and agree as follows:

- 1. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.
- 2. The Due Diligence Period shall be extended and shall expire at 5:00 p.m. (Eastern time) on September 13, 2004.
- 3. Except as expressly modified or amended by this Amendment, all of the terms, covenants and conditions of the Agreement are hereby ratified and confirmed.
- 4. Except insofar as reference to the contrary is made in any such instrument, all references to the "Agreement" in any future correspondence or notice shall be deemed to refer to the Agreement as modified by this Amendment.
- 5. This Amendment may be signed in any number of counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures thereto and hereto were on the same instrument.
- 6. Delivery of this Amendment by facsimile by any party shall represent a valid and binding execution and delivery of this Amendment by such party.

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

FRANKLIN VILLAGE TRUST

By:

Name: Roger V. Calarese
Title: Trustee

By:

Name: A. Richard Calarese
Title: Trustee

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By:

Name:

Title:

THIRD AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS THIRD AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "Amendment") is made and entered into as of the 13th day of September, 2004, by and between Roger V. Calarese and A. Richard Calarese, as trustees of the Franklin Village Trust, dated January 19, 1979, as amended ("Seller"), having an office at 1000 Franklin Village Drive, Franklin, Massachusetts 02038, and Cedar-Franklin Village LLC, a Delaware limited liability company ("Buyer"), having an office c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Port Washington, New York 11050.

WHEREAS, Buyer and Seller have entered into that certain Agreement of Purchase and Sale, dated as of August 2, 2004, as amended by that certain Amendment to Agreement of Purchase and Sale dated as of September 2, 2004, as further amended by that certain Second Amendment to Agreement of Purchase and Sale dated as of September 10, 2004 (as amended, the "Agreement").

WHEREAS, Seller and Buyer desire to amend the terms of the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, in consideration of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Seller and Buyer hereby covenant and agree as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.
2. The parties acknowledge that, pursuant to the terms of the Agreement (i) Seller is obligated to repay the Mortgage Loan at or prior to the Closing and to convey the Property to Buyer at the Closing free and clear of the Mortgage, and (ii) Buyer is obligated to pay the Prepayment Consideration to the Mortgagee at the Closing.
3. Seller agrees that, notwithstanding anything to the contrary contained in the Agreement, Buyer shall have the right, but not the obligation, to take title to the Property subject to the Mortgage Loan so long as Buyer shall assume and agree to repay the Mortgage Loan (an "Assumption"), it being acknowledged by Seller and Buyer that any Assumption shall be entirely subject to the Mortgagee's approval rights under the terms of the Mortgage Loan Documents.
4. In connection with the prospective Assumption, Seller shall (i) request an estoppel certificate ("Mortgagee Estoppel") duly executed by Mortgagee to be dated not more than thirty (30) days prior to the Closing Date, certifying as to (A) the outstanding principal balance of the Mortgage Loan, (B) the interest rate, (C) the date through which interest on the loan has been paid, (D) the value of any escrows held by Mortgagee on Seller's account, and (E) that the Mortgagee (a) has not delivered any notice of default under the Mortgage Loan Documents that remains uncured, and (b) does not have knowledge of any default under the Mortgage Loan Documents, and (ii) use good faith and diligent efforts to obtain a consent, duly executed by Mortgagee (the "Mortgagee Consent"), to be dated not more than thirty (30) days prior to the Closing Date,

authorizing the Assumption and the sale of the Property to Buyer. Seller shall promptly deliver the original executed Mortgagee Estoppel and the Mortgagee Consent to Buyer as and when each is received by Seller. Seller shall not be responsible for the payment of any fees payable to the Mortgagee on account of the prospective Assumption. Buyer shall, at its own cost and expense, cooperate with Seller by providing Mortgagee with information and documents and all fees and cost reimbursements (including, if applicable, all processing and Mortgagee counsel fees) required by Mortgagee in connection with the Mortgagee Consent and Mortgagee Estoppel and prospective Assumption.

5. In the event of the Assumption (i) Section 4.2.17 and Section 6.1.2 of the Agreement shall be deemed to be modified to eliminate Seller's obligation to repay the Mortgage Loan and eliminate the Mortgage at or prior to the Closing, (ii) Section 7.4.2, Section 8.8, the second sentence of Section 2.1, and the last two sentences of Section 7.1.1 shall be deemed to be omitted from the Agreement, (iii) Buyer shall be responsible for the payment to the Mortgagee of any fees contemplated by the Loan Documents to be payable in connection with the Assumption, (iv) the amount of the Balance shall be reduced by the outstanding principal balance of the Mortgage Loan as of the Closing Date, as

adjusted by the amount of any escrows deposited by Seller with Mortgagee to the extent that Seller's interest therein is transferred to Buyer in connection with the Assumption, and (v) interest on the Mortgage Loan for the calendar month in which the Closing occurs shall be prorated as of the Proration Date. In the event the Assumption occurs, unless Seller is released by Mortgagee from liability in connection with the Mortgage Loan, Buyer shall and does hereby agree to hold harmless and indemnify Seller, the Partnership, and all partners of the Partnership (as partners and individually) from and against any and all obligations, liabilities, damages, costs and expenses (including reasonable attorneys' fees) in connection with the Mortgage Loan or any document or agreement evidencing or given in connection with the Mortgage Loan (including, without limitation, obligations under that certain Environmental Indemnity Agreement, dated as of November 5, 1997, given in connection with the Mortgage Loan). The indemnity and hold harmless herein contained shall survive the Closing and shall remain in full force and effect until the expiration of the periods required by applicable statutes of limitations with respect to all obligations arising in connection with the Mortgage Loan.

6. The parties acknowledge that the Purchase Price was agreed upon on the basis that (a) Enviro Supply was and would continue to be a tenant in good standing at the Property occupying approximately one thousand two hundred (1,200) square feet of space in Building J at the Property (the "Enviro Space") and paying approximately twenty dollars (\$20) per square foot per annum in rent plus additional rent on account of its occupancy of the Enviro Space and (b) Golf USA was and would continue to be a tenant in good standing at the Property occupying approximately two thousand (2,000) square feet of space in Building J at the Property (the "Golf USA Space") and paying approximately twenty dollars (\$20) per square foot per annum in rent plus additional rent on account of its occupancy of the Golf USA Space. The parties further acknowledge that Enviro Supply is not in occupancy at the Property and that Golf USA is not in good standing at the Property and is expected to vacate its premises at the Property prior to the Closing. The parties have agreed that on the first day of each of the first twenty-four (24) full calendar months following the Closing commencing with the first full calendar month following the month in which the Closing occurs, Seller shall pay to Buyer to compensate Buyer for lost rental for the Enviro Space and the Golf USA Space the amount of \$5,333.33 plus estimated pro

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rata charges on account of taxes, insurance, and common area maintenance at the Property (the "Enviro/Golf Payment Amount"). From and after the commencement and receipt by Buyer of regularly scheduled rent from replacement tenants under replacement leases for the Golf USA Space and the Enviro Space, in each calendar month during such twenty-four (24) month period, the Enviro/Golf Payment Amount shall be reduced by any rent required to be paid in such calendar month by such replacement tenants then occupying the Enviro Space and the Golf USA Space, it being understood and agreed that to the extent either of the Enviro Space or Golf USA Space have been re-leased after Closing, from and after the commencement and receipt by Buyer of regularly scheduled rent under such replacement leases, Seller's obligation with respect to the Enviro/Golf Payment Amount shall cease except to the extent that the aggregate base monthly rent provided for in the applicable replacement leases is less than the Enviro/Golf Payment Amount. Buyer agrees to work diligently to attempt to re-lease the Enviro Space and the Golf USA Space and to reasonably lease such spaces to comparable convenience-oriented "non-credit" "niche" tenants. Except as expressly modified or amended by this Amendment, all of the terms, covenants and conditions of the Agreement are hereby ratified and confirmed.

7. The New Management Agreement shall provide that the failure of Seller to pay to Buyer the Enviro/Golf Payment Amount shall constitute a default under the New Management Agreement and entitle Buyer to offset any unpaid portion of the Enviro/Golf Payment Amount against amounts payable under the New Management Agreement.

8. Attached hereto as Attachment A is a revised rent roll for the Property dated as of August 19, 2004 (the "Revised Rent Roll"). The parties agree that the Revised Rent Roll shall replace the Rent Roll appearing as Exhibit I to the Agreement and shall be deemed the Rent Roll referred to in the Agreement for all purposes.

9. The parties agree that the Due Diligence Period shall be deemed to expire on Monday, September 13, 2004, and that notwithstanding anything contained in Section 7.1 of the Agreement, the Scheduled Closing Date shall be November 1, 2004.

10. Except insofar as reference to the contrary is made in any such instrument, all references to the "Agreement" in any future correspondence or notice shall be deemed to refer to the Agreement as modified by this Amendment.

11. This Amendment may be signed in any number of counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures thereto and hereto were on the same instrument.

12. Delivery of this Amendment by facsimile by any party shall represent a valid and binding execution and delivery of this Amendment by such party.

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

FRANKLIN VILLAGE TRUST

By: _____
Name: Roger V. Calarese
Title: Trustee

By: _____
Name: A. Richard Calarese
Title: Trustee

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

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ATTACHMENT A

Rent Roll

FOURTH AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS FOURTH AMENDMENT TO AGREEMENT OF PURCHASE AND SALE (this "Amendment") is made and entered into as of the ___ day of October, 2004, by and between Roger V. Calarese and A. Richard Calarese, as trustees of the Franklin Village Trust, dated January 19, 1979, as amended ("Seller"), having an office at 1000 Franklin Village Drive, Franklin, Massachusetts 02038, and Cedar-Franklin Village LLC, a Delaware limited liability company ("Buyer"), having an office c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Port Washington, New York 11050.

WHEREAS, Buyer and Seller have entered into that certain Agreement of Purchase and Sale, dated as of August 2, 2004, as amended by that certain Amendment to Agreement of Purchase and Sale dated as of September 2, 2004, as further amended by that certain Second Amendment to Agreement of Purchase and Sale dated as of September 10, 2004, and as further amended by that certain Third Amendment to Agreement of Purchase and Sale (the "Third Amendment") dated as of September 13, 2004 (collectively, the "Agreement").

WHEREAS, Seller and Buyer desire to amend the terms of the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, in consideration of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Seller and Buyer hereby covenant and agree as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

2. Seller is party to a Lease Agreement, dated May 30, 1987 as amended and extended, with New Weathervane Retail Corporation, a Delaware corporation (hereinafter "Weathervane") for the premises known as Rental "E-4" at the property (the "Lease"). Weathervane filed for protection under the bankruptcy laws in The United States Bankruptcy Court For The District of Delaware - Case No. 04-11649(PJW) (the "Bankruptcy Court"), and on or about July 29, 2004 the Bankruptcy Court ordered (the "Order") the transfer of the tenant's interest under the Lease to Fair Vane Corp., a corporation with an address at 1185 Caledonia Road, Toronto, Canada MGA2X1 (hereinafter "Fair Vane"). Pursuant to said order, Fair Vane has indicated to Seller that it will assume the obligations of Weathervane under the Lease arising from and after August 1, 2004, subject to certain conditions specified in the Order. Seller has (with Buyer's consent) agreed to extend the term of the Lease until February 1, 2010, with minimum rent equal to \$80,850 per year (without increases) for the term of the Lease. After Closing (as defined in the Agreement), Buyer has agreed to enter into an agreement with Fair Vane amending and extending the Lease on the terms and conditions set forth in this Paragraph 2. Payments by Fair Vane of all rents due for the months of August, September, and October, 2004 shall be deferred (the "Deferred Amount"), and Fair Vane has agreed to pay the Deferred Amount in thirty six (36) consecutive equal monthly installments commencing November 1, 2004 (the "Deferred Payments") which Deferred Payments shall be in addition to the monthly rental due to Buyer during such months.

Seller and Buyer agree that Buyer shall apply such Deferred Payments from Fair Vane against the Enviro/Golf Payment Amount (as defined in the Third Amendment) and, upon payment in full of all amounts due and owing to Buyer with respect to the Enviro/Golf Payment Amount, such Deferred Payments shall be remitted to Seller.

3. The Prepayment Consideration payable by Buyer at the Closing will be an estimate provided by the Seller's Mortgagee based upon applicable Treasury Rates in effect either one or two weeks prior to scheduled Closing. Actual Prepayment Consideration cannot be determined until after the closing because it is based upon applicable Treasury Rates upon in effect during the week prior to the closing and will not be determined by the Seller's Mortgagee until after the closing. The Mortgagee has indicated that if the Prepayment Consideration is greater than the estimate, it will obtain sufficient funds from escrow accounts maintained by Seller, and if less than the estimate, it will refund the difference to Seller. Buyer and Seller agree to make appropriate adjustment pursuant to the terms of the Agreement within three (3) days of receipt of notice from the Mortgagee of its determination as to the amount of the Prepayment Consideration.

4. The terms of this Fourth Amendment shall survive the Closing.

5. Except insofar as reference to the contrary is made in any such

instrument, all references to the "Agreement" in any future correspondence or notice shall be deemed to refer to the Agreement as modified by this Amendment.

6. This Amendment may be signed in any number of counterparts, each of which shall be deemed to be an original, with the same effect as if the signatures thereto and hereto were on the same instrument.

7. Delivery of this Amendment by facsimile by any party shall represent a valid and binding execution and delivery of this Amendment by such party.

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

FRANKLIN VILLAGE TRUST

By: _____
Name: Roger V. Calarese
Title: Trustee

By: _____
Name: A. Richard Calarese
Title: Trustee

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

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LIMITED LIABILITY COMPANY AGREEMENT
OF
CEDAR-FRANKLIN VILLAGE LLC

This Limited Liability Company Agreement (together with the schedules attached hereto, this "Agreement") of CEDAR-FRANKLIN VILLAGE LLC (the "Company"), is entered into by Cedar-Franklin Village 2 LLC, as the sole equity member (the "Member"), and Suzanne M. Hay ("Springing Member 1") and Jan Koeman ("Springing Member 2"), as the Springing Members (as defined on Schedule A hereto). Capitalized terms used and not otherwise defined herein have the meanings set forth on Schedule A hereto.

The Member, by execution of this Agreement, hereby forms the Company as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del. C. ss. 18-101 et seq.), as amended from time to time (the "Act"), and this Agreement, and the Member and Springing Member 1 and Springing Member 2 hereby agree as follows:

Section 1. Name.

The name of the limited liability company formed hereby is Cedar-Franklin Village LLC.

Section 2. Principal Business Office.

The principal business office of the Company shall be located at c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Port Washington, NY 11050 or such other location as may hereafter be determined by the Member.

Section 3. Registered Office.

The address of the registered office of the Company in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, Delaware 19808.

Section 4. Registered Agent.

The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400 in the City of Wilmington, County of New Castle, Delaware 19808.

Section 5. Members.

(a) The mailing address of the Member is set forth on Schedule B attached hereto. The Member was admitted to the Company as a member of the Company upon its execution of a counterpart signature page to this Agreement.

(b) Subject to Section 9(j), the Member may act by written consent.

(c) Upon the occurrence of any event that causes the Member to cease to be a member of the Company (other than (i) upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 21 and 23, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 22 and 23) (a "Member Cessation Event"), Springing Member 1 shall, without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as a Special Member and shall continue the Company without dissolution. If, however, at the time of a Member Cessation Event, Springing Member 1 has died or is otherwise no longer able to step into the role of Special Member, then in such event, Springing Member 2 shall, concurrently with the Member Cessation Event, and without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as Special Member and shall continue the Company without dissolution. It is the intent of these provisions that the Company never have more than one Special Member at any particular point in time. No Special Member may resign from the Company or transfer its rights as Special Member unless a successor Special Member has been admitted to the Company as Special Member by executing a counterpart to this Agreement. The Special Member shall automatically cease to be a member of the Company upon the admission to the Company of a substitute Member. The Special Member shall be a member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets. Pursuant to Section 18-301 of the Act, a Special Member shall not be required to make any capital contributions to the Company and shall not receive a limited liability company interest in the Company. A Special Member, in its capacity as Special Member, may not bind the Company. Except as required by any mandatory provision of the Act, a Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Company, including, without limitation, the merger,

consolidation or conversion of the Company. In order to implement the admission to the Company of the Special Member, each of Springing Member 1 and Springing Member 2 shall execute a counterpart to this Agreement. Prior to its admission to the Company as Special Member, each person acting as a Springing Member 1 or Springing Member 2 shall not be a member of the Company.

(d) The Company shall at all times have a Springing Member 1 and a Springing Member 2. No resignation or removal of a Springing Member, and no appointment of a successor Springing Member, shall be effective unless and until such successor shall have executed a counterpart to this Agreement and, with respect to Springing Member 1 only, accepted its appointment as Independent Director pursuant to Section 10. In the event of a vacancy in the position of Springing Member 1 or Springing Member 2, the Member shall, as soon as practicable, appoint a successor Springing Member to fill such vacancy. By signing this Agreement, a Springing Member agrees that, should such Springing Member become a Special Member, such Springing Member will be subject to and bound by the provisions of this Agreement applicable to a Special Member.

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Section 6. Certificates.

Emanuel Tsourounis, II, is hereby designated as an "authorized person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, his powers as an "authorized person" ceased, and the Member thereupon became the designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the Act. The Member or an Officer shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in Massachusetts and in any other jurisdiction in which the Company may wish to conduct business.

The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 7. Purposes.

(a) Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, the sole purpose to be conducted or promoted by the Company is to engage in the following activities:

- (i) to acquire, own, hold, lease, operate, manage, maintain, develop and improve, the real property described in the Loan Documents (the "Property");
- (ii) to enter into and perform its obligations under the Loan Documents;
- (iii) to sell, transfer, service, convey, dispose of, pledge, assign, borrow money against, finance, refinance or otherwise deal with the Property to the extent permitted under the Loan Documents; and
- (iv) to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purposes.

(b) The Company, and the Member, or any Director or Officer on behalf of the Company, may enter into and perform their obligations under the Basic Documents and all documents, agreements, certificates, or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any Member, Director, Officer or other Person notwithstanding any other provision of this Agreement, the Act or applicable law, rule or regulation. The foregoing authorization shall not be deemed a restriction on the powers of the Member or any Director or Officer to enter into other agreements on behalf of the Company.

Section 8. Powers.

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Subject to Section 9(j), the Company, and the Board of Directors and the Officers of the Company on behalf of the Company, (i) shall have and exercise all powers necessary, convenient or incidental to accomplish its purposes as set forth in Section 7 and (ii) shall have and exercise all of the powers and rights conferred upon limited liability companies formed pursuant to the Act.

(a) Board of Directors. Subject to Section 9(j), the business and affairs of the Company shall be managed by or under the direction of a Board of one or more Directors designated by the Member. Subject to Section 10, the Member may determine at any time in its sole and absolute discretion the number of Directors to constitute the Board. The authorized number of Directors may be increased or decreased by the Member at any time in its sole and absolute discretion, upon notice to all Directors, and subject in all cases to Section 10. The initial number of Directors shall be three (3), one (1) of which shall be an Independent Director pursuant to Section 10. Each Director elected, designated or appointed by the Member shall hold office until a successor is elected and qualified or until such Director's earlier death, resignation, expulsion or removal. Each Director shall execute and deliver the Management Agreement. Directors need not be a Member. The initial Directors designated by the Member are listed on Schedule D hereto.

(b) Powers. Subject to Section 9(j), the Board of Directors shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. Subject to Section 7, the Board of Directors has the authority to bind the Company.

(c) Meeting of the Board of Directors. The Board of Directors of the Company may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the President on not less than one day's notice to each Director by telephone, facsimile, mail, telegram or any other means of communication, and special meetings shall be called by the President or Secretary in like manner and with like notice upon the written request of any one or more of the Directors.

(d) Quorum: Acts of the Board. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business and, except as otherwise provided in any other provision of this Agreement, the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee, as the case may be; provided, however, that no such written consent of any Independent Director shall be required for the validity

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of such action by the Board unless, pursuant to the provisions of Section 9(j)(iii), such action would be invalid in the absence of the affirmative vote or consent of such Independent Director.

(e) Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in meetings of the Board, or any committee, by means of telephone conference or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in Person at the meeting. If all the participants are participating by telephone conference or similar communications equipment, the meeting shall be deemed to be held at the principal place of business of the Company.

(f) Committees of Directors.

- (i) The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the Directors of the Company. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.
- (ii) In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimately appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.
- (iii) Any such committee, to the extent provided in the resolution of the Board, and subject to, in all cases, Sections 9(j) and 10, shall have and may exercise all the powers and authority of the Board in

the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

(g) Compensation of Directors; Expenses. The Board shall have the authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at meetings of the Board, which may be a fixed sum for attendance at each meeting of the Board or a stated salary as Director. No such payment shall preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

(h) Removal of Directors. Unless otherwise restricted by law, any Director or the entire Board of Directors may be removed or expelled, with or without cause, at any time by the Member, and, subject to Section 10, any vacancy caused by any such removal or expulsion may be filled by action of the Member.

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(i) Directors as Agents. To the extent of their powers set forth in this Agreement and subject to Section 9(j), the Directors are agents of the Company for the purpose of the Company's business, and the actions of the Directors taken in accordance with such powers set forth in this Agreement shall bind the Company. Notwithstanding the last sentence of Section 18-402 of the Act, except as provided in this Agreement or in a resolution of the Directors, a Director may not bind the Company.

(j) Limitations on the Company's Activities.

- (i) This Section 9(j) is being adopted to comply with certain provisions necessary to qualify the Company as a "special purpose" entity.
- (ii) Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, for so long as any Obligation is outstanding, neither the Member nor the Company shall amend, alter, change any of Sections 1, 5(b), 5(c), 5(d), 6, 7, 8, 9, 10, 14, 16, 20(b), 20(f), 21, 22, 23, 24, 25, 26, 27, 29, 30, 31 or 32 or Schedule A of this Agreement (to the extent that the terms defined in Schedule A are used in any of the foregoing sections) (the "Special Purpose Provisions"), or any other provision of this or any other document governing the formation, management or operation of the Company in a manner that is inconsistent with any of the Special Purpose Provisions, unless the Lender consents in writing and the Rating Agency Condition is satisfied. Subject to this Section 9(j), the Member reserves the right to amend, alter, change or repeal any provisions contained in this Agreement in accordance with Section 32. In the event of any conflict between any of the Special Purpose Provisions and any other provision of this or any other document governing the formation, management or operation of the Company, the Special Purpose Provisions shall control.
- (iii) Notwithstanding any other provision of this Agreement or any other document governing the formation, management or operation of the Company, and notwithstanding any provision of law that otherwise so empowers the Company, the Member, the Board, any Officer or any other Person, in addition to any other limitations set forth in this Agreement, neither the Member nor the Board nor any Officer nor any other Person shall be authorized or empowered, nor shall they permit the Company to, and the Company shall not, without the prior unanimous written consent of the Member and the Board (including the Independent Director), take any Material Action, provided, however, that the Board may not vote on, or authorize the taking of, any Material Action, unless there is at least one Independent Director then serving in such capacity.
- (iv) The Board and the Member shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and

franchises. Notwithstanding anything to the contrary in this Agreement or in any other document governing

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the formation, management or operation of the Company, the Board also shall cause the Company to and the Company shall:

- (A) maintain its books, records and bank accounts separate from those of any other Person;
- (B) at all times hold itself out to the public and all other Persons as a legal entity separate from the Member and from any other Person;
- (C) have its own Board of Directors;
- (D) file its own tax returns separate from those of any other Person, except to the extent that the Company is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law, and pay any taxes required to be paid under applicable law;
- (E) except as contemplated by the Loan Documents, not commingle its assets with assets of any other Person;
- (F) conduct its business only in its own name and comply with all organizational formalities necessary to maintain its separate existence;
- (G) maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person and not have its assets listed on any financial statement of any other Person; provided, however, that in lieu thereof, the Company's assets may be included in a consolidated financial statement of its Affiliate provided that (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of the Company from such Affiliate and to indicate that the Company's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person and (ii) such assets shall also be listed on the Company's own separate balance sheet;
- (H) pay its own liabilities and expenses only out of its own funds;
- (I) except for capital contributions or capital distributions permitted under the terms and conditions of this Agreement and properly reflected on the books and records of the Company, not enter into any transaction with an Affiliate of the Company except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction;

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- (J) pay the salaries of its own employees, if any, only from its own funds;
- (K) not hold out its credit or assets as being available to satisfy the obligations of any other Person;
- (L) allocate fairly and reasonably any overhead expenses that are shared with an affiliate, including for shared office space and for services performed by an employee of an affiliate;
- (M) use separate stationery, invoices and checks

bearing its own name;

- (N) except as contemplated by the Loan Documents, not pledge its assets to secure the obligations of any other Person;
- (O) correct any known misunderstanding regarding its separate identity and not identify itself as a department or division of any other Person;
- (P) maintain adequate capital and a sufficient number of employees in light of its contemplated business purpose, transactions and liabilities; provided, however, that the foregoing shall not require the Member to make additional capital contributions to the Company;
- (Q) cause its Board of Directors to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other Delaware limited liability company formalities;
- (R) not acquire any obligation or securities of the Member or of any Affiliate of the Company; and
- (S) cause the Directors, Officers, agents and other representatives of the Company to act at all times with respect to the Company consistently and in furtherance of the foregoing and in the best interests of the Company.

Failure of the Company, or the Member or Board 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 or the Directors.

- (v) Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company,

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the Board shall not cause or permit the Company to and the Company shall not:

- (A) except as contemplated by the Loan Documents, guarantee any obligation of any Person, including any Affiliate or become obligated for the debts of any other Person or hold out its credit as being available to pay the obligations of any other Person;
- (B) engage, directly or indirectly, in any business other than as required or permitted to be performed under Section 7, the Basic Documents or this Section 9(j);
- (C) incur, create or assume any indebtedness or liabilities other than indebtedness and liabilities incurred in the ordinary course of its business that are related to the ownership and operation of the Property and are expressly permitted under the Loan Documents;
- (D) make or permit to remain outstanding any loan or advance to, or own or acquire any stock or securities of, any Person, except that the Company may invest in those investments permitted under the Loan Documents and may make any advance required or expressly permitted to be made pursuant to any provisions of the Loan Documents and permit the same to remain outstanding in accordance with such provisions;
- (E) to the fullest extent permitted by law, engage in any dissolution, liquidation,

consolidation, merger, sale or other transfer of any of its assets outside the ordinary course of the Company's business other than such activities as are expressly permitted pursuant to any the Loan Documents;

- (F) buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities);
- (G) form, acquire or hold any subsidiary (whether corporate, partnership, limited liability company or other) or own any equity interest in any other entity; or
- (H) own any asset or property other than the Property and incidental personal property necessary for the ownership or operation of the Property.

Section 10. Independent Director.

As long as any Obligation is outstanding, the Member shall cause the Company at all times to have at least one (1) Independent Director who will be appointed by the Member. To the fullest extent permitted by law, including Section 18-1101(c) of the Act, the Independent Director shall consider only the

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interests of the Company and its creditors in acting or otherwise voting on the matters referred to in Section 9(j)(iii). No resignation or removal of an Independent Director, and no appointment of a successor Independent Director, shall be effective until such successor (i) shall have accepted his or her appointment as an Independent Director by a written instrument, which may be a counterpart signature page to the Management Agreement, and (ii) shall have executed a counterpart to this Agreement as required by Section 5(d). In the event of a vacancy in the position of Independent Director, the Member shall, as soon as practicable, appoint a successor Independent Director. All right, power and authority of the Independent Director shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. Except as provided in the second sentence of this Section 10, in exercising their rights and performing their duties under this Agreement, an Independent Director shall have a fiduciary duty of loyalty and care similar to that of a director of a business corporation organized under the General Corporation Law of the State of Delaware. No Independent Director shall at any time serve as trustee in bankruptcy for any Affiliate of the Company.

Section 11. Officers.

(a) Officers. The initial Officers of the Company shall be designated by the Member. The additional or successor Officers of the Company shall be chosen by the Board and shall consist of at least a President, a Secretary and a Treasurer. The Board of Directors may also choose one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person. The Board may appoint such other Officers and agents as it shall deem necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. The salaries of all Officers and agents of the Company shall be fixed by or in the manner prescribed by the Board. The Officers of the Company shall hold office until their successors are chosen and qualified. Any Officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board. Any vacancy occurring in any office of the Company shall be filled by the Board. The initial Officers of the Company designated by the Member are listed on Schedule E hereto.

(b) President. The President shall be the chief executive officer of the Company, shall preside at all meetings of the Board, shall be responsible for the general and active management of the business of the Company and shall see that all orders and resolutions of the Board are carried into effect. The President or any other Officer authorized by the President or the Board shall execute all bonds, mortgages and other contracts, except: (i) where required or permitted by law or this Agreement to be otherwise signed and executed, including Section 7(b); (ii) where signing and execution thereof shall be expressly delegated by the Board to some other Officer or agent of the Company, and (iii) as otherwise permitted in Section 11(c).

(c) Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Directors, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and

have such other powers as the Board may from time to time prescribe.

(d) Secretary and Assistant Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Board and record all the proceedings of the meetings of the Company and of the Board in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or shall cause to be given, notice of all meetings of the Member, if any, and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President, under whose supervision the Secretary shall serve. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board (or if there be no such determination, then in order of their election), shall, in the absence of the Secretary or in the event of the Secretary's inability to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(e) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the Company funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and to the Board, at its regular meetings or when the Board so requires, an account of all of the Treasurer's transactions and of the financial condition of the Company. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of the Treasurer's inability to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(f) Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Board not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and, subject to Section 9(j), the actions of the Officers taken in accordance with such powers shall bind the Company.

(g) Duties of Board and Officers. Except to the extent otherwise provided herein, each Director and Officer shall have a fiduciary duty of loyalty and care similar to that of directors and officers of business corporations organized under the General Corporation Law of the State of Delaware.

Section 12. Limited Liability.

Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and neither the Member nor the Special Member nor any Director shall be

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obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, Special Member or Director of the Company.

Section 13. Capital Contributions.

The Member has contributed to the Company the property listed on Schedule B attached hereto. In accordance with Section 5(c), the Special Member shall not be required to make any capital contributions to the Company.

Section 14. Additional Contributions.

The Member is not required to make any additional capital contribution to the Company. However, the Member may make additional capital contributions to the Company at any time upon the written consent of such Member. To the extent that the Member makes an additional capital contribution to the Company, the Member shall revise Schedule B of this Agreement. The Member and the Special Member shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

Section 15. Allocation of Profits and Losses.

The Company's profits and losses shall be allocated to the Member.

Section 16. Distributions.

Distributions of capital shall be made to the Member at the

times and in the aggregate amounts determined by the Board. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution of capital to the Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law or any Basic Document or would constitute a default under the Loan Documents.

Section 17. Books and Records.

The Board shall keep or cause to be kept complete and accurate books of account and records with respect to the Company's business. The books of the Company shall at all times be maintained by the Board. The Member and its duly authorized representatives shall have the right to examine the Company books, records and documents during normal business hours. The Company, and the Board on behalf of the Company, shall not have the right to keep confidential from the Member any information that the Board would otherwise be permitted to keep confidential from the Member pursuant to Section 18-305(c) of the Act. The Company's books of account shall be kept using the method of accounting determined by the Member. The Company's independent auditor, if any, shall be an independent public accounting firm selected by the Member.

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Section 18. Reports.

(a) Within 60 days after the end of each fiscal quarter, the Board shall cause to be prepared an unaudited report setting forth as of the end of such fiscal quarter:

- (i) unless such quarter is the last fiscal quarter, a balance sheet of the Company; and
- (ii) unless such quarter is the last fiscal quarter, an income statement of the Company for such fiscal quarter.

(b) The Board shall use diligent efforts to cause to be prepared and mailed to the Member, within 90 days after the end of each fiscal year, an unaudited report setting forth as of the end of such fiscal year:

- (i) a balance sheet of the Company;
 - (ii) an income statement of the Company for such fiscal year;
- and
- (iii) a statement of the Member's capital account.

(c) The Board shall, after the end of each fiscal year, use reasonable efforts to cause the Company's independent accountants, if any, to prepare and transmit to the Member as promptly as possible any such tax information as may be reasonably necessary to enable the Member to prepare its federal, state and local income tax returns relating to such fiscal year.

Section 19. Other Business.

The Member, the Special Member and any Affiliate of the Member or the Special Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others notwithstanding any provision to the contrary at law or at equity. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

Section 20. Exculpation and Indemnification.

(a) Neither the Member nor the Special Member nor any Officer, Director, employee or agent of the Company nor any employee, representative, agent or Affiliate of the Member or the Special Member (collectively, the "Covered Persons") shall, to the fullest extent permitted by law, be liable to the Company or any other Person that is a party to or is otherwise bound by this Agreement, for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct.

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(b) To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by

such Covered Person by reason of such Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 20 by the Company shall be provided out of and to the extent of Company assets only, and the Member and the Special Member shall not have personal liability on account thereof; and provided further, that so long as any Obligation is outstanding, no indemnity payment from funds of the Company (as distinct from funds from other sources, such as insurance) of any indemnity under this Section 20 shall be payable from amounts allocable to any other Person pursuant to the Basic Documents.

(c) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 20.

(d) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, or any other facts pertinent to the existence and amount of assets from which distributions to the Member might properly be paid.

(e) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person bound by this Agreement acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement or any approval or authorization granted by the Company or any other Covered Person. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member, the Springing Members and the Special Member to replace such other duties and liabilities of such Covered Person.

(f) Notwithstanding the foregoing provisions, any indemnification set forth herein shall be fully subordinate to the Loan and, to the fullest extent permitted by law, shall not substitute a claim against the Company in the event that the Company's cash flow is insufficient to pay its Obligations.

(g) The foregoing provisions of this Section 20 shall survive any termination of this Agreement.

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Section 21. Assignments.

(a) Subject to Section 23 and any transfer restrictions contained in the Loan Documents, the Member may assign its limited liability company interest in the Company. Subject to Section 23, if the Member transfers any of its limited liability company interest in the Company pursuant to this Section 21, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. If the Member transfers all of its limited liability company interest in the Company, such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company. Any successor to a Member by merger or consolidation in compliance with the Basic Documents shall, without further act, be the Member hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement and the Company shall continue without dissolution.

(b) Except as permitted under the Loan documents, for so long as any Obligation remains outstanding, the Company shall always have one and only one member.

Section 22. Resignation.

So long as any Obligation is outstanding, the Member may not resign, except as permitted under the Basic Documents and if the Lender consents in writing and the Rating Agency Condition is satisfied and if an additional member is admitted to the Company pursuant to Section 23. If the Member is permitted to resign pursuant to this Section 22, an additional member of the Company shall be admitted to the Company, subject to Section 23, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Member shall cease to be a member of the Company.

Section 23. Admission of Additional Members and Transfers of Indirect Interests.

(a) One or more additional members of the Company may be admitted to the Company with the written consent of the Member; provided, however, that, notwithstanding the foregoing, no additional Member may be admitted to the Company pursuant to Sections 21, 22 or 23, other than pursuant to Section 24(a) or Section 5(c), and no transfer of any direct or indirect interest in the Company may be made that results in a Change in Control of the Company, except as may be expressly provided otherwise in the Loan Documents, unless (1), an acceptable nonconsolidation opinion is delivered to the Lender and to each Rating Agency concerning, as applicable, the Company, the new transferee and/or their respective owners, (2) the Rating Agency Condition is satisfied and (3) the Lender consents in writing.

Section 24. Dissolution.

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(a) The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner required under Section 5(c) or this Section 24(a) or permitted by this Agreement or the Act or (ii) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company (other than (i) upon an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 21 and 23, or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 22 and 23), to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company or the Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member or a Special Member shall not cause the Member or Special Member or additional member, respectively, to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

(c) Notwithstanding any other provision of this Agreement, each of the Member and the Special Member waive any right it might have to agree in writing to dissolve the Company upon the Bankruptcy of the Member or Special Member or the occurrence of an event that causes the Member or Special Member to cease to be a member of the Company.

(d) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

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

Section 25. Waiver of Partition; Nature of Interest.

To the fullest extent permitted by law, each of the Member, the Special Member, and the Springing Members hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the

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assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. The Member shall not have any interest in any specific assets of the Company, and the Member shall not have the status of a creditor with respect to any distribution pursuant to Section 16 hereof. The interest of the Member in the Company is personal property.

Section 26. Tax Status.

It is intended that the Company shall be a disregarded entity for federal, state, and local income tax purposes.

Section 27. Benefits of Agreement; No Third-Party Rights.

Except for the Lender, its successors or assigns as holders of the Loan with respect to the Special Purpose Provisions, (1) none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of the Member or a Special Member, and (2) nothing in this Agreement shall be deemed to create any right in any Person (other than Covered Persons) not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person, except as provided in Section 30. The Lender, its successors or assigns are intended third-party beneficiaries of this Agreement and may enforce the Special Purpose Provisions.

Section 28. Severability of Provisions.

Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 29. Entire Agreement.

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof.

Section 30. Binding Agreement.

The Member agrees that this Agreement, including, without limitation, the Special Purpose Provisions, constitutes a legal, valid and binding agreement of the Member, and is enforceable against the Member by the Independent Directors, in accordance with its terms. In addition, the Independent Directors shall be intended beneficiaries of this Agreement.

Section 31. Governing Law.

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

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Section 32. Amendments.

Subject to Section 9(j), this Agreement may be modified, altered, supplemented or amended pursuant to a written agreement executed and delivered by the Member. Notwithstanding anything to the contrary in this Agreement, so long as any Obligation is outstanding, this Agreement may not be modified, altered, supplemented or amended unless the Lender consents in writing and the Rating Agency Condition is satisfied except: (i) to cure any ambiguity or (ii) to convert or supplement any provision in a manner consistent with the intent of this Agreement and the other Basic Documents.

Section 33. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

Section 34. Notices.

Any notices required to be delivered hereunder shall be in writing and personally delivered, mailed or sent by telecopy, electronic mail or other similar form of rapid transmission, and shall be deemed to have been duly given upon receipt (a) in the case of the Company, to the Company at its address in Section 2, (b) in the case of the Member, to the Member at its address as listed on Schedule B attached hereto and (c) in the case of either of the foregoing, at such other address as may be designated by written notice to the other party.

Section 35. Effectiveness.

Pursuant to Section 18-201 (d) of the Act, this Agreement shall be effective as of October 22, 2004.

Section 36. Interests and Certificates.

(a) Interests

Each limited liability company interest in the Company shall constitute a "security" within the meaning of (i) Section 8-102(a)(15) of the Uniform Commercial Code as in effect from time to time in the States of Delaware and New

York and (ii) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Notwithstanding any provision of this Agreement to the contrary, to the extent that any provision of this Agreement is inconsistent with any non-waivable provision of Article 8 of the Uniform Commercial Code as in effect in the State of Delaware (6 Del C. ss. 8-101, et. seq.) (the "UCC"), such provision of Article 8 of the UCC shall be controlling.

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(b) Certificates.

- (i) Upon the issuance of limited liability company interests in the Company to any Person in accordance with the provisions of this Agreement, without any further act, vote or approval of any Member, Director, Officer or any Person, the Company shall issue one or more non-negotiable certificates in the name of such Person substantially in the form of Exhibit A hereto (a "Certificate"), which evidences the ownership of the limited liability company interests in the Company of such Person. Each such Certificate shall be denominated in terms of the percentage of the limited liability company interests in the Company evidenced by such Certificate and shall be signed by an Officer on behalf of the Company.
- (ii) Without any further act, vote or approval of any Member, Director, Officer or any Person, the Company shall issue a new Certificate in place of any Certificate previously issued if the holder of the limited liability company interests in the Company represented by such Certificate, as reflected on the books and records of the Company:
 - (A) makes proof by affidavit, in form and substance satisfactory to the Company, that such previously issued Certificate has been lost, stolen or destroyed;
 - (B) requests the issuance of a new Certificate before the Company has notice that such previously issued Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;
 - (C) if requested by the Company, delivers to the Company a bond, in form and substance satisfactory to the Company, with such surety or sureties as the Company may direct, to indemnify the Company against any claim that may be made on account of the alleged loss, destruction or theft of the previously issued Certificate; and
 - (D) satisfies any other reasonable requirements imposed by the Company.
- (iii) Upon a Member's transfer in accordance with the provisions of this Agreement of any or all limited liability company interests in the Company represented by a Certificate, the transferee of such limited liability company interests in the Company shall deliver such Certificate to the Company for cancellation (executed by such transferee on the reverse side thereof), and the Company shall thereupon issue a new Certificate to such transferee for the percentage of limited liability company interests in the Company being transferred and, if applicable, cause to be issued to such Member a new Certificate for that percentage of limited liability

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company interests in the Company that were represented by the canceled Certificate and that are not being transferred.

(c) Registration of Limited Liability Company Interests. The Company shall maintain books for the purpose of registering the transfer of limited liability company interests. Notwithstanding any provision of this Agreement to

the contrary, a transfer of limited liability company interests requires delivery of an endorsed Certificate and shall be effective upon registration of such transfer in the books of the Company.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the 22nd day of October, 2004.

MEMBER:

CEDAR-FRANKLIN VILLAGE 2 LLC
By: CEDAR SHOPPING CENTERS
PARTNERSHIP, L.P., its sole member
By: Cedar Shopping Centers, Inc., its
general partner

By:

Name: Brenda J. Walker
Title: Vice President

SPRINGING MEMBERS:

Name: Suzanne M. Hay
Springing Member 1

Name: Jan Koeman
Springing Member 2

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SCHEDULE A

Definitions

A. Definitions

When used in this Agreement, the following terms not otherwise defined herein have the following meanings:

"Act" has the meaning set forth in the preamble to this Agreement.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such Person or any Person who has a familial relationship, by blood, marriage or otherwise with the Company or any Affiliate of the Company.

"Agreement" means this Limited Liability Company Agreement of the Company, together with the schedules attached hereto, as amended, restated or supplemented or otherwise modified from time to time.

"Bankruptcy" means, with respect to any Person, if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (vii) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any

statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy" is intended to replace and shall supersede and replace the definition of "Bankruptcy" set forth in Sections 18-101(1) and 18-304 of the Act.

"Basic Documents" means this Agreement, the Management Agreement, the Loan Documents, and all documents and certificates contemplated thereby or delivered in connection therewith.

"Board" or "Board of Directors" means the Board of Directors of the Company.

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"Certificate of Formation" means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware on July 16, 2004, as amended or amended and restated from time to time.

"Change in Control of the Company" means (a) a transfer resulting in a Person that owned less than 49% of the direct or indirect equity interests in the Company upon the closing of the Loan owning 49% or more of such equity interests after the transfer, (b) a transfer or transfers after the closing of the Loan that aggregate of 49% or more of the direct or indirect equity interests in the Company or (c) a change in the equity owners that Control the Company.

"Company" means Cedar-Franklin Village LLC, a Delaware limited liability company.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise. "Controlling" and "Controlled" shall have correlative meanings. Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, a majority of the ownership interests.

"Covered Persons" has the meaning set forth in Section 20(a).

"Directors" means the Persons elected to the Board of Directors from time to time by the Member, including the Independent Directors, in their capacity as managers of the Company. A Director is hereby designated as a "manager" of the Company within the meaning of Section 18-101(10) of the Act.

"Independent Director" means a natural person who is not at the time of initial appointment as a director or at any time while serving as a director or manager of the Company and has not been at any time during the five (5) years preceding such initial appointment:

- (a) a stockholder, director (with the exception of serving as an Independent Director of the Company), officer, trustee, employee, partner, member, attorney or counsel of Company, the Member or any Affiliate of either of them;
- (b) a creditor, customer, supplier, or other person who derives any of its purchases or revenues from its activities with the Member, the Company or any Affiliate of either of them;
- (c) a Person Controlling or under common Control with any Person excluded from serving as Independent Director under (a) or (b); or
- (d) a member of the immediate family by blood or marriage of any Person excluded from serving as Independent Director under (a) or (b).

A natural person who satisfies the foregoing definition other than subparagraph (b) shall not be disqualified from serving as an Independent Director of the Company if such individual is an Independent Director provided by a nationally-recognized company that provides professional independent directors

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(a "Professional Independent Director") and other corporate services in the ordinary course of its business. A natural person who otherwise satisfies the foregoing definition other than subparagraph (a) by reason of being the independent director of a "special purpose entity" affiliated with the Company shall not be disqualified from serving as an Independent Director of the Company if such individual is either (i) a Professional Independent Director or (ii) the fees that such individual earns from serving as independent director of affiliates of the Company constitute in the aggregate less than five percent

(5%) of such individual's annual income. Notwithstanding the immediately preceding sentence, an Independent Director may not simultaneously serve as Independent Director of the Company and independent director of a special purpose entity that owns a direct or indirect equity interest in the Company or a direct or indirect interest in any co-borrower with the Company.

For purposes of this paragraph, a "special purpose entity" is an entity, whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity's separateness that are substantially similar to the Special Purpose Provisions of this Agreement.

"Lender" means Eurohypo AG, New York Branch, together with its successors and assigns.

"Loan" means that certain loan in the amount of \$43,500,000 to be made by Lender to the Company in accordance with the terms, conditions and provisions of the Loan Documents.

"Loan Agreement" means that certain Loan Agreement dated _____, 2004, by and between the Company and Lender.

"Loan Documents" has the meaning set forth in the Loan Agreement.

"Management Agreement" means the agreement of the Directors in substantially the form attached hereto as Schedule C. The Management Agreement shall be deemed incorporated into, and a part of, this Agreement.

"Material Action" means to file any insolvency, or reorganization case or proceeding, to institute proceedings to have the Company be adjudicated bankrupt or insolvent, to institute proceedings under any applicable insolvency law, to seek any relief under any law relating to relief from debts or the protection of debtors, to consent to the filing or institution of bankruptcy or insolvency proceedings against the Company, to file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy or insolvency, to seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official of or for the Company or a substantial part of its property, to make any assignment for the benefit of creditors of the Company, to admit in writing the Company's inability to pay its debts generally as they become due, or to take action in furtherance of any of the foregoing.

"Member" means Cedar-Franklin Village 2 LLC, as the initial member of the Company, and includes any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this

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Agreement, each in its capacity as a member of the Company; provided, however, the term "Member" shall not include the Special Member or the Springing Members.

"Obligations" shall mean the indebtedness, liabilities and obligations of the Company under or in connection with the Loan Documents.

"Officer" means an officer of the Company described in Section 11.

"Officer's Certificate" means a certificate signed by any Officer of the Company who is authorized to act for the Company in matters relating to the Company.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any governmental authority.

"Property" shall have the meaning given thereto in Section 7(a) of this Agreement.

"Rating Agency" has the meaning assigned to that term in the Loan Documents, or if no such defined term exists, means a nationally-recognized rating agency that is rating or that has rated the Loan or any pool of loans of which the Loan forms a part or any securities issued in connection with a securitization of the Loan or such pool of loans.

"Rating Agency Condition" means with respect to any action taken at any time after the loan evidenced and secured by the Loan Documents has been sold or assigned to a securitization trust, that each Rating Agency shall have notified the Company in writing that such action will not result in a reduction, withdrawal, downgrade or qualification of the then current rating by such Rating Agency of the Loan or any pool of loans of which the Loan forms a part, or of any of securities issued by such securitization trust.

"Special Member" means, upon such person's admission to the Company as a member of the Company pursuant to Section 5(c), a person acting as either

Springing Member 1 or Springing Member 2, in such person's capacity as a member of the Company. A Special Member shall only have the rights and duties expressly set forth in this Agreement.

"Special Purpose Entity" means an entity, whose organizational documents contain restrictions on its purpose and activities and impose requirements intended to preserve the its separateness that are substantially similar to the Special Purpose Provisions of this Agreement.

"Springing Member" means a Person who is not a member of the Company but who has signed this Agreement in order that, upon the conditions described in Section 5(c), such Person can become the Special Member without any delay in order that at all times the Company shall have at least one member.

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B. Rules of Construction

Definitions in this Agreement apply equally to both the singular and plural forms of the defined terms. The words "include" and "including" shall be deemed to be followed by the phrase "without limitation." The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, paragraph or subdivision. The Section titles appear as a matter of convenience only and shall not affect the interpretation of this Agreement. All Section, paragraph, clause, Exhibit or Schedule references not attributed to a particular document shall be references to such parts of this Agreement.

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SCHEDULE B

Member

<TABLE>
<CAPTION>

Name	Mailing Address	Capital Contribution	Membership Interest
Cedar-Franklin Village 2 LLC	c/o Cedar Shopping Centers Partnership, L.P 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050	[]	100%

</TABLE>

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SCHEDULE C

Management Agreement

_____, 2004

Cedar-Franklin Village LLC
c/o Cedar Shopping Centers Partnership, L.P.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050

Re: Management Agreement - Cedar Franklin Village LLC

Ladies and Gentlemen:

For good and valuable consideration, each of the undersigned Persons, who have been designated as directors of Cedar-Franklin Village LLC, a Delaware limited liability company (the "Company"), in accordance with the Limited Liability Company Agreement of the Company, dated as of July 16 , 2004, as it may be amended or restated from time to time (the "LLC Agreement"), hereby agree as follows:

1. Each of the undersigned accepts such Person's rights and authority as a Director under the LLC Agreement and agrees to perform and discharge such Person's duties and obligations as a Director under the LLC Agreement, and

further agrees that such rights, authorities, duties and obligations under the LLC Agreement shall continue until such Person's successor as a Director is designated or until such Person's resignation or removal as a Director in accordance with the LLC Agreement. Each of the undersigned agrees and acknowledges that it has been designated as a "manager" of the Company within the meaning of the Delaware Limited Liability Company Act.

2. So long as any Obligation is outstanding, each of the undersigned agrees, solely in its capacity as a creditor of the Company on account of any indemnification or other payment owing to the undersigned by the Company, not to acquiesce, petition or otherwise invoke or cause the Company to invoke the process of any court or governmental authority for the purpose of commencing or sustaining an involuntary case against the Company under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or any substantial part of the property of the Company, or to the fullest extent permitted by law, ordering the winding up or liquidation of the affairs of the Company.

3. THIS MANAGEMENT AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, AND ALL RIGHTS AND REMEDIES

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SHALL BE GOVERNED BY SUCH LAWS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

Initially capitalized terms used and not otherwise defined herein have the meanings set forth in the LLC Agreement.

This Management Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Management Agreement and all of which together shall constitute one and the same instrument.

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

Leo S. Ullman

Brenda J. Walker

Suzanne M. Hay

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SCHEDULE D

DIRECTORS

- 1. Leo S. Ullman
- 2. Brenda J. Walker
- 3. Suzanne M. Hay

SCHEDULE E

OFFICERS

TITLE

Leo S. Ullman	President
Brenda J. Walker	Vice President and Treasurer
Stuart H. Widowski	Secretary
Lise S. Oelbaum	Assistant Secretary

Exhibit A

CERTIFICATE FOR LIMITED LIABILITY COMPANY INTERESTS IN CEDAR-FRANKLIN VILLAGE LLC

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES OR BLUE SKY LAWS OF ANY STATE. THE HOLDER OF THIS CERTIFICATE, BY ITS ACCEPTANCE HEREOF, REPRESENTS THAT IT IS ACQUIRING THIS SECURITY FOR INVESTMENT AND NOT WITH A VIEW TO ANY SALE OR DISTRIBUTION HEREOF. ANY TRANSFER OF THIS CERTIFICATE OR ANY LIMITED LIABILITY COMPANY INTEREST REPRESENTED HEREBY IS SUBJECT TO THE TERMS AND CONDITIONS OF THE LIMITED LIABILITY COMPANY AGREEMENT (AS DEFINED BELOW).

Certificate Number 001 100% Percentage Interest

Cedar-Franklin Village LLC, a Delaware limited liability company (the "Company"), hereby certifies that Cedar-Franklin Village 2 LLC (together with any assignee of this Certificate, the "Holder") is the registered owner of 100 percent of the limited liability company interests in the Company. The rights, powers, preferences, restrictions and limitations of the limited liability company interests in the Company are set forth in, and this Certificate and the limited liability company interests in the Company represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Limited Liability Company Agreement of the Company dated as of July 16, 2004, as the same may be further amended or restated from time to time (the "Limited Liability Company Agreement"). By acceptance of this Certificate, and as a condition to being entitled to any rights and/or benefits with respect to the limited liability company interests evidenced hereby, the Holder is deemed to have agreed to comply with and be bound by all the terms and conditions of the Limited Liability Company Agreement. The Company will furnish a copy of the Limited Liability Company Agreement to the Holder without charge upon written request to the Company at its principal place of business. Transfer of any or all of the limited liability company interests in the Company evidenced by this Certificate is subject to certain restrictions in the Limited Liability Company Agreement and can be effected only after compliance with all of those restrictions and the presentation to the Company of the Certificate, accompanied by an assignment in the form appearing on the reverse side of this Certificate, duly completed and executed by and on behalf of the transferor in such Transfer, and an application for transfer in the form appearing on the reverse side of this Certificate, duly completed and executed by and on behalf of the transferee in such Transfer.

Each limited liability company interest in the Company shall constitute a "security" within the meaning of (i) Section 8-102(a)(15) of the Uniform Commercial Code as in effect from time to time in the States of Delaware and New York and (ii) the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995 (and each limited liability company interest in the Company shall be treated as such a "security" for all purposes, including, without limitation perfection of the security interest therein under Article 8 of each applicable Uniform Commercial Code).

This Certificate and the limited liability company interests evidenced hereby shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of laws.

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed as of the date set forth below.

CEDAR FRANKLIN VILLAGE LLC

Dated: _____

By: _____
Name: Brenda J. Walker
Title: Vice President

ASSIGNMENT OF INTEREST

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (print or typewrite name of transferee), _____ (insert Social Security or other taxpayer identification number of transferee), the following specified percentage of limited liability company interests in the Company: _____ (identify the percentage interest being transferred) effective as of the date specified in the Application for Transfer of Interests below, and irrevocably constitutes and appoints _____ and its authorized officers, as attorney-in-fact, to transfer the same on the books and records of the Company, with full power of substitution in the premises.

Dated: _____ Signature: _____
(Transferor)
Address: _____

APPLICATION FOR TRANSFER OF INTERESTS

The undersigned applicant (the "Applicant") hereby (a) applies for a transfer of the percentage of limited liability company interests in the Company described above (the "Transfer") and applies to be admitted to the Company as a substitute member of the Company, (b) agrees to comply with and be bound by all of the terms and provisions of the Limited Liability Company Agreement, (c) represents that the Transfer complies with the terms and conditions of the Limited Liability Company Agreement, (d) represents that the Transfer does not violate any applicable laws and regulations, and (e) agrees to execute and acknowledge such instruments (including, without limitation, a counterpart of the Limited Liability Company Agreement), in form and substance satisfactory to the Company, as the Company reasonably deems necessary or desirable to effect the Applicant's admission to the Company as a substitute member of the Company and to confirm the agreement of the Applicant to be bound by all the terms and provisions of the Limited Liability Company Agreement with respect to the limited liability company interests in the Company described above. Initially capitalized terms used herein and not otherwise defined herein are used as defined in the Limited Liability Company Agreement.

The Applicant directs that the foregoing Transfer and the Applicant's admission to the Company as a Substitute Member shall be effective as of _____.

Name of Transferee (Print)

Dated: _____ Signature: _____
(Transferee)
Address: _____

The Company has determined (a) that the Transfer described above is permitted by the Limited Liability Company Agreement, (b) hereby agrees to effect such Transfer and the admission of the Applicant as a substitute member of the Company effective as of the date and time directed above, and (c) agrees to record, as promptly as possible, in the books and records of the Company the admission of the Applicant as a substitute member.

CEDAR-FRANKLIN VILLAGE LLC

By: _____
Name:
Title:

OPERATING AGREEMENT
OF
CEDAR-FRANKLIN VILLAGE 2 LLC

This OPERATING AGREEMENT (this "Agreement") of CEDAR-FRANKLIN VILLAGE 2 LLC (the "Company") is made and entered into to be effective for all purposes as of October 21, 2004 by Cedar Shopping Centers Partnership, L.P. ("LP"), as the sole equity member and such other persons as may from time to time be admitted as members of the Company in accordance with the terms of this Agreement and the Delaware Act (as that term is hereinafter defined). As used in this Agreement, the term "Member" (whether one or more) shall mean LP and any other persons or entities admitted as a member of the Company in accordance with this Agreement and the Delaware Act (so long as they are members of the Company).

R E C I T A L S :

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

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

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

2. NAME AND PRINCIPAL PLACE OF BUSINESS. The name of the Company is Cedar-Franklin Village 2 LLC. The Member may change the name of the Company or adopt such trade or fictitious names for use by the Company as the Member may from time to time determine. All business of the Company shall be conducted under such names and title to all assets or property owned by the Company shall be held in such names. The principal place of business and office of the company shall be c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, New York 11050, or at such other place or places as the Member may from time to time designate.

3. REGISTERED AGENT AND REGISTERED OFFICE. The name of the Company's registered agent for service of process is Corporation Service Company, and the address of the Company's registered agent and the address of the Company's

registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808. The registered agent and the registered office of the Company may be changed from time to time by the Member.

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

5. PURPOSE. The purpose and business of the Company shall be to (a) acquire and own a one hundred percent (100%) membership interest in Cedar-Franklin Village LLC (the "Owner LLC"), whose purposes are:

- (i) to acquire, own, hold, lease, operate, manage, maintain, develop and improve, the real property commonly known as "Franklin Village" located in Franklin, Massachusetts (the "Property");
- (ii) to enter into and perform its obligations under the documents evidencing and/or securing a loan to Owner LLC (the "Loan Documents");
- (iii) to sell, transfer, service, convey, dispose of, pledge, assign, borrow money against, finance, refinance or otherwise deal with the Property to the extent permitted under the Loan Documents; and

(iv) to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purposes;

and (b) engage in any activity and take any action which limited liability companies may take that is incidental, necessary and appropriate to accomplish the foregoing.

6. MEMBERS.

(a) LP, whose address is set forth opposite its name in the signature page of this Agreement, is the sole member of the Company and shall be shown as such on the books and records of the Company. Except as expressly permitted by this Agreement, no other person shall be admitted as a member of the Company, and no additional interest in the Company shall be issued, without the approval of the Member.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member shall not cause the Member to cease to be a member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution. For purposes of this Section 6,

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

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

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

9. INITIAL CAPITAL CONTRIBUTION. The Member has contributed to the Company an initial contribution to the capital of the Company.

10. ADDITIONAL CAPITAL CONTRIBUTIONS. The Member is not required to contribute any additional capital to the Company other than the initial contributions heretofore made. The Member will not have any obligation to restore any negative or deficit balance in its capital account, including any negative or deficit balance in its capital account upon liquidation and

its cash requirements shall, to the extent possible, be provided by Company borrowings from third parties, upon such terms and conditions as determined appropriate by the approval of the Member; provided, however, that in lieu of causing the Company to borrow from third parties, the Member may from time to time make additional capital contributions to the Company.

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

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

13. DISSOLUTION AND TERMINATION.

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

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

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

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

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

Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company, to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company,

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agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Company in the Company.

(b) Intentionally omitted.

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

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

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

(f) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the

manner provided for in this Agreement and (ii) the Certificate of Formation of the Company shall have been canceled in the manner required by the Delaware Act.

14. INDEMNIFICATION. The Member shall not be liable to the Company for monetary damages for any losses, claims, damages or liabilities arising from any act or omission performed or omitted by it arising out of or in connection with this Agreement or the Company's business or affairs, except for any such loss, claim, damage or liability primarily attributable to the Member's fraud, gross negligence or willful misconduct. The Company shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless the Member against any losses, claims damages or liabilities to which the Member may become subject in connection with any matter arising out of or in connection with this Agreement or the Company's business or affairs, except for any such loss, claim, damage or liability primarily attributable to the Member's fraud, gross negligence or willful misconduct. If the Member becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with this Agreement or the Company's business or affairs, the Company shall reimburse the Member for its reasonable legal fees and other reasonable out-of-pocket expenses (including the cost of any

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investigation and preparation) as they are incurred in connection therewith, provided that the Member shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined that the Member was not entitled to be indemnified by the Company in connection with such action, proceeding or investigation. If for any reason (other than the fraud, gross negligence or willful misconduct of the Member) the foregoing indemnification is unavailable to the Member, or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by the Member as a result of such loss, claim, damage, liability or expense in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Member on the other hand or, if such allocation is not permitted by applicable law, to reflect not only the relative benefits referred to above but also any other relevant equitable considerations. The provisions of this Paragraph 14 shall survive any termination of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the obligations of the Company or the Member under this Paragraph 14 shall (i) be in addition to any liability which the Company or the Member may otherwise have and (ii) inure to the benefit of the Member, its affiliates and their respective members, directors, officers, employees, agents and affiliates and any successors, assigns, heirs and personal representatives of such persons.

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

16. WAIVER OF PARTITION AND NATURE OF INTEREST IN THE COMPANY. To the fullest extent permitted by law, the Member hereby irrevocably waives any right or power that the Member might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law, or to file a complaint or to institute any proceeding at law or in equity to cause the termination, dissolution and liquidation of the Company. The Member has been induced to enter into this Agreement in reliance upon the waivers set forth in this Paragraph 16, and without such waivers, the Member would not have entered into this Agreement. The Member shall not have any interest in any specific assets of the Company.

17. BOOKS, RECORDS, ACCOUNTING AND REPORTS. The Company shall maintain, or cause to be maintained, in a manner customary and consistent with good accounting principles, practices and procedures, a comprehensive system of office records, books and accounts (which records, books and accounts shall be and remain the property of the Company) in which shall be entered fully and accurately each and every financial transaction with respect to the ownership and operation of the property of the Company. Such books and records of account shall be prepared and maintained at the principal place of business of the

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Company or such other place or places as may from time to time be determined by the Member. The Member or its duly authorized representative shall have the right to inspect, examine and copy such books and records of account at the Company's office during reasonable business hours. A reasonable charge for copying books and records may be charged by the Company. The books of the Company shall be kept on the accrual basis in accordance with generally accepted

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

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

19. MISCELLANEOUS.

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

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

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

20. SPE REQUIREMENTS.

(a) The purpose of the Company is limited to the purpose described in Paragraph 5 hereof.

(b) The Company's ability to incur indebtedness is limited to equipment leasing, equipment financing and trade payables incurred in the ordinary course of business, relating to its role as sole member of the Owner LLC.

(c) The Company shall:

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

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(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) Maintain separate financial statements, provided, however, that in lieu thereof, the Company's assets may be included in a consolidated financial statement of its affiliate;

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

(vii) Except for capital contributions or capital distributions permitted under the terms of this Agreement, not enter into any transaction with an affiliate except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's length transaction;

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

(ix) 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;

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

(xi) Allocate fairly and reasonably any overhead for shared office space;

(xii) Use separate stationery, invoices and checks;

(xiii) Not pledge its assets for the benefit of any

other entity;

(xiv) Hold itself out as a separate entity;

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

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

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

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(xviii) Not hold, form or acquire any subsidiaries other than Owner LLC;

(xix) Not make loans to any other person or entity or hold or buy evidence of indebtedness issued by another person or entity;

(xx) Observe all limited liability company formalities; and

(xxi) File its tax returns separate from any other entity, except to the extent that the Company is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law .

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

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

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

Address

Member

44 South Bayles Avenue, Suite 304
Port Washington, New York 11050

CEDAR SHOPPING CENTERS
PARTNERSHIP, L.P.

By: Cedar Shopping Centers, Inc.,
its general partner

By:

Brenda J. Walker
Vice President

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LEASE AGREEMENT

ARTICLE I - PARTIES

This Lease Agreement (hereinafter "Lease" or "Agreement") made this _____ day of _____, 2004.

Cedar-Franklin Village LLC, a Delaware limited liability company, having an office c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Port Washington, New York 11050 (hereinafter "LANDLORD") which expression shall include their heirs, successors, and assigns where the context so admits, does hereby lease to Calarese Properties, Inc., a Massachusetts corporation with an address at 1000 Franklin Village Drive, Franklin, Massachusetts 02031 (hereinafter "TENANT"), which expression shall include their heirs, successors, and assigns where the context so admits, and the TENANT hereby leases from the LANDLORD the following described premises:

ARTICLE II - LEASED PREMISES

Suite 301 in the Executive Center at Franklin Village, (hereinafter the "Office Building") Route 140, Franklin, Massachusetts, consisting of approximately One Thousand Seven Hundred Eighty Six (1,786) square feet inside the Office Building currently occupied by Calarese Development Corporation (hereinafter the "Leased Premises") , together with the right to use, in common with others entitled thereto, the hallways, stairways and elevators necessary for access to the Leased Premises and lavatories nearest thereto, along with the right to use, in common with others entitled thereto, parking area and sidewalks (the "Common Area") shown within the area labeled "Office Building Parcel" on Exhibit A attached hereto and made a part hereof (hereinafter the "Office Building Parcel"), but reserving and excepting to LANDLORD the use of the demising walls, the area above the ceilings of the Leased Premises and the right to install, maintain, use, repair and replace pipes, ducts, conduits, wires and appurtenant fixtures leading through the Leased Premises in locations which will not materially interfere with TENANT'S use thereof.

ARTICLE III - TERM

3.1 The term (the "Term") of this Lease shall be for three (3) years, as hereinafter provided, commencing upon November 1, 2004 (the "Commencement Date").

In the event that the Term shall commence on a day other than the first of the month, then rent shall be immediately paid for such fractional month,

prorated on the basis of a thirty (30) day month, and for the purposes of determining the date of expiration of this Lease or anniversary dates of the Commencement Date of this Lease, the Term of the Lease shall be deemed to commence on the first day of the calendar month next succeeding. A pro rata monthly installment of minimum annual rent shall be due on the first day of the last calendar month of the Term to cover rent for the last month of the term if the Term for any reason terminates on a day other than the last day of a calendar month. The pro rata calculation will be based on a thirty (30) day month.

By taking occupancy of the Leased Premises, TENANT shall be deemed to have accepted the Leased Premises, to have acknowledged that the same are in the condition called for hereunder and to have agreed that as of that time, all of the obligations of the LANDLORD imposed under this Lease shall have been performed.

ARTICLE IV - RENT

4.1 TENANT hereby covenants and agrees to pay during the Term hereof (and at the rate for any partial month at the commencement of the term), initial minimum annual rent of Thirty Nine Thousand Seven Hundred Fifty-Six Dollars and Thirty-Six Cents (\$39,756.36), payable without deduction, setoff or demand, in equal monthly installments of Three Thousand Three Hundred Thirteen Dollars and Three Cents (\$3,313.03). The first monthly installment of minimum annual rent shall be due upon the execution of the Lease and continuing to be payable thereafter on the first day of each succeeding calendar month throughout the Term.

There shall be added to any rent due hereunder, whether minimum or additional, or any other sums due, which are not paid within ten (10) days of the date that the same first became due, a late charge equal to ten percent (10%) of the amount so overdue, which amount shall not be deemed a penalty, but shall merely compensate Landlord for a portion of Landlord's expenses caused by Tenant's late payment.

ARTICLE V - INTENTIONALLY OMITTED

ARTICLE VI - INTENTIONALLY OMITTED

ARTICLE VII - SERVICES AND UTILITIES

TENANT shall pay, as they become due, all bills for utilities furnished to the Leased Premises except as otherwise specifically herein provided. Notwithstanding the above, the LANDLORD agrees to pay for gas or electricity utilized to heat or cool water utilized in the heating and air conditioning system serving the Leased Premises, and to furnish hot and cold water to the

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lavatories in the Leased Premises and in the common area of the Office Building and reasonable heat and air conditioning to the hallways, stairways, and lavatories during normal business hours on regular business days (which shall not include Sundays and holidays as set forth in Exhibit B attached hereto and made a part hereof) of the heating and air conditioning seasons of each year, to furnish elevator service and to light passageways and stairways during such regular business hours and to furnish such cleaning service to the common area of the Office Building as is customary in similar buildings in said city or town, all subject to interruption due to any accident, to the making of repairs, alterations, or improvements, to labor difficulties, to difficulty in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained for said building, or to any cause beyond LANDLORD'S control.

LANDLORD shall have no obligation to provide utilities or equipment other than the utilities and equipment within the Leased Premises as of the commencement date of this Lease. In the event TENANT requires additional utilities or equipment, the installation and maintenance thereof shall be the TENANT'S sole obligation, provided that such installation shall be subject to written consent of the LANDLORD.

ARTICLE VIII - USE OF LEASED PREMISES

The TENANT shall use the Leased Premises only for general office use, and for no other purpose.

ARTICLE IX - COMPLIANCE WITH LAWS

The TENANT acknowledges that no trade or occupation shall be conducted in the Leased Premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any present or future law, ordinance or regulation of any State or Federal, municipal and local governments, including but not limited to any activity which impairs or interferes with any of the Building Systems (hereinafter defined) in the Office Building.

ARTICLE X - INSURANCE

10.1 Throughout the term hereof, LANDLORD shall maintain a policy of insurance on the Office Building against damage by fire and such other risks covered by the so-called Extended Coverage endorsement to the extent of not less than the insurable replacement value thereof. Such policy or policies shall be issued by responsible insurance companies.

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In the case of any loss or damage covered by such insurance, the proceeds of such insurance shall, subject to the provisions of Landlord's mortgage and the agreement of its mortgagee, be devoted by LANDLORD, so far as may be required hereunder, to the repair, rebuilding or restoration of the Office Building, provided, however, that this Lease shall not have been terminated.

10.2 TENANT shall procure such insurance on its improvements and personal property as it deems appropriate.

10.3 TENANT agrees to maintain with respect to the Leased Premises, Office Building, and Office Building Parcel, broad form commercial general liability insurance with limits in the amount of One Million Dollars (\$1,000,000.00) per occurrence and property damage liability insurance in the amount of Five Hundred Thousand Dollars (\$500,000.00) per occurrence and to submit copies of such policies and certificates of such insurance to LANDLORD. The insurers under such policies shall be satisfactory to LANDLORD and such policies shall name as insured parties LANDLORD and TENANT, as their interests may appear, and shall provide thirty (30) days' prior written notice to LANDLORD of lapse or cancellation. In the event TENANT shall fail to obtain such insurance, LANDLORD may, but shall not be obligated to, purchase such insurance on behalf of TENANT, and TENANT shall pay to Landlord the cost of such insurance upon demand by LANDLORD.

10.4 TENANT will not do or omit any act, or keep anything in, upon or about the Leased Premises, the Office Building or the Office Building Parcel which may prevent or impair obtaining and maintaining any fire, liability or other insurance upon or written in connection with the Leased Premises, the Office Building or the Office Building Parcel or which may make any such

insurance void or voidable or otherwise invalidate the obligations of the insurer contained therein, or which may create any extra premiums or increase the rate of any such insurance over that normally applicable to office buildings. TENANT agrees to pay to LANDLORD, upon demand, the amount of any extra premiums or any increase in the rate of such insurance which results from TENANT'S occupancy of or conduct in the Leased Premises, whether or not LANDLORD has consented to such business. IF TENANT installs any electrical equipment that overloads the lines in accordance with the provisions hereof, it shall make whatever changes are necessary to comply with the requirements of the insurance underwriter or governmental authorities having jurisdiction.

ARTICLE XI - MAINTENANCE

11.1 TENANT shall at its own cost and expense maintain the Leased

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Premises in good condition, ordinary wear and tear, damage by fire and other casualty, damage occasioned solely by reason of acts and omissions of LANDLORD, and taking by eminent domain, only excepted, and whenever necessary, to replace plate glass and other glass therein, acknowledging as of the Commencement Date of this Lease that the Leased Premises are in good order and the glass whole. The TENANT shall not permit the Leased Premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste.

TENANT shall furnish the Leased Premises in a neat and attractive manner, and shall maintain the Leased Premises in a clean, orderly, and professional condition at all times during this Lease or any extension thereof.

11.2 The LANDLORD agrees to maintain the structure, including the roof and foundation, and the Common Area of the Office Building and the HVAC, electrical, and plumbing systems serving the Building in the same condition as they are at the commencement of the term, reasonable wear and tear, damage by fire, taking by eminent domain, and damage insured against and with respect to which TENANT obtains proceeds of insurance only excepted, unless such maintenance is required because of TENANT or those for whose conduct the TENANT is legally responsible.

11.3 TENANT agrees to give prompt notice in writing to LANDLORD of any defective condition or the need for repairs in the Leased Premises for which LANDLORD is responsible under this Article XI. LANDLORD shall have a reasonable opportunity to repair the same or cure such defect.

ARTICLE XII - CONSTRUCTION AND ALTERATIONS

12.1 TENANT has inspected the Leased Premises and has agreed to accept the Leased Premises in "As Is" condition, with all faults, and without representation or warranty by LANDLORD with respect to any matter, all implied warranties being hereby expressly waived. LANDLORD shall have no obligation to perform any work in connection with the Leased Premises, whether on or off-site, and shall have no obligation to apply for or obtain any governmental consents or permits.

Any additional work required for TENANT to use the Leased Premises for the intended purpose shall be at the sole cost and expense of TENANT. Any equipment or work which the LANDLORD installs or constructs in the Leased Premises on the TENANT'S behalf and at the TENANT'S request shall be paid for by TENANT within fifteen (15) days after receipt of a bill therefor at cost, plus fifteen percent (15%) for overhead and supervision.

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12.2 Any work required for TENANT to use the Leased Premises for the intended purpose shall be at the sole cost and expense of TENANT and shall be deemed to be "Tenant's Work". TENANT shall make no alterations of any nature without (i) LANDLORD'S prior written consent, and (ii) TENANT submitting to LANDLORD plans and specifications, in accordance with Section 12.3 below. In no event shall TENANT's alterations affect the Building's structure or electrical, mechanical, plumbing or HVAC systems (the "Building Systems").

12.3 TENANT shall prepare, at its sole cost and expense, complete plans and specifications prepared by a professional architect or engineer for all Tenant's Work, whether original or alterations, in such detail as LANDLORD may require and in compliance with all applicable statutes, ordinances, regulations and codes. TENANT shall submit such plans and specifications to LANDLORD or LANDLORD'S designated representative for written approval prior to commencement of any work, together with the name of the contractor or contractors to perform such work. All contractors or others performing work on the Leased Premises shall be approved in writing by LANDLORD. TENANT shall employ only such labor as will not cause any conflict or controversy with any labor organization representing trades performing work for LANDLORD or others in the Office Building Parcel, or any part thereof, including the Leased Premises. TENANT shall obtain all permits and approvals prior to commencing Tenant's Work. All such allowed alterations shall be at TENANT'S expense, shall be in quality at least equal to the contemplated or then existing construction, as the case may

be, and shall be prosecuted diligently and completed in a good and workmanlike manner.

12.4 Any alterations or improvements made by the TENANT shall become the property of the LANDLORD at the termination of occupancy as provided herein; provided, however, that TENANT shall be obligated to remove such improvements, fixtures and equipment at the said termination of occupancy as LANDLORD shall request prior to such termination, the TENANT being obligated to repair any damage which such removal may cause. TENANT agrees that any window treatments installed by TENANT in the Leased Premises which are visible from the exterior of the Leased Premises shall be of a type and color to be determined by LANDLORD or shall be approved in advance by LANDLORD, which approval may be withheld for any reason.

12.5 TENANT shall not suffer or permit any liens to stand against the Leased Premises or Office Building or Office Building Parcel by reason of work, labor, services or materials done for or at the request of TENANT. TENANT shall cause any such lien to be discharged within five (5) days after the date of filing thereof. If TENANT shall fail to take such action as shall cause such

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lien to be discharged within five (5) days after the filing of such notice, LANDLORD may pay the amount of such lien or discharge the same by deposit or bonding proceedings, and in the event of such deposit or bonding proceedings, LANDLORD may require the lienor to prosecute an appropriate action to enforce the lienor's claim and may pay any judgment recovered on such claim. In the event that LANDLORD does any of the things it is by this paragraph empowered to do, TENANT shall promptly reimburse LANDLORD for any sums expended by LANDLORD in connection therewith, including any sum paid in discharge of any lien or judgment, for premiums on bonds, or for attorney's fees. All such sums shall be payable upon demand with interest at the rate of eighteen percent (18%) per annum.

12.6 LANDLORD may, from time to time, enter the Leased Premises to perform construction work or make improvements, benefiting the common area of the Office Building or other tenants of the Office Building. LANDLORD agrees to give reasonable advance notice (except in the case of an emergency where no advance notice shall be required) to TENANT of LANDLORD'S need to enter the Leased Premises for such purposes and agrees to perform such work in a manner which will minimize any disruption to TENANT within the Leased Premises.

ARTICLE XIII - ASSIGNMENT/SUBLEASING

TENANT agrees not to sell, assign, mortgage, pledge, franchise or in any manner transfer this Lease or any estate of interest thereunder and not to sublet the Leased Premises or any part or parts thereof and not to permit any licensee or concessionaire therein without the previous written consent of the LANDLORD in each instance first obtained. Notwithstanding the above, TENANT may sublet all or a portion of the Premises provided that (i) the terms of such sublease agreement and the identity of such sublessee shall be approved in advance by LANDLORD (such approval not to be unreasonably withheld, conditioned, or delayed) and (ii) LANDLORD shall be entitled to receive any rent or payments received by TENANT on account of such sublease which is, on a square foot basis, in excess of the rent paid by TENANT to LANDLORD on a square foot basis hereunder. Consent by LANDLORD to one assignment of this Lease or to one subletting, sale, mortgage, pledge or other transfer including licensing or the grant of a concession shall not be a waiver of LANDLORD'S right under this Article as to any subsequent similar action. Notwithstanding any assignment or subletting, TENANT shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease. This prohibition includes any subletting or assignment which would otherwise occur by operation of law. In connection with any request by TENANT to assign or sublet this Lease, TENANT shall pay to LANDLORD, upon demand, any and

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all legal fees incurred by LANDLORD related to said request or the proposed assignment.

LANDLORD'S rights to assign this Lease are and shall remain unqualified. Upon any sale of the Leased Premises and provided the purchaser assumes all obligations under this Lease, LANDLORD shall thereupon be entirely freed of all obligations of the LANDLORD hereunder and shall not be subject to any liability resulting from any act or omission or event occurring after such conveyance. LANDLORD shall give TENANT notice of any transfer or assignment of this Lease. Upon the sale or other transfer of LANDLORD'S interest in this Lease, TENANT agrees to recognize and attorn to such transferee as LANDLORD, and TENANT further agrees to execute and deliver a recordable instrument setting forth the provisions of this paragraph.

ARTICLE XIV - SUBORDINATION

This Lease is and shall be subject and subordinate to all matters of record, including without limitation, ground leases and mortgages, any of which

may now or hereafter be placed on or affect the Leased Premises, or any part thereof and to each advance made or to be made under any part thereof and to each advance made or to be made under any such mortgages, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefor, provided that said mortgagee or ground LANDLORD agrees in writing delivered to TENANT to recognize this Lease, and not to disturb TENANT'S rights thereunder, and provided further that to the extent that the TENANT has agreed or does agree with LANDLORD'S first mortgagee not to subordinate this Lease to any second mortgage or ground lease without such first mortgagee's consent, then this Lease shall not be deemed subordinate to any second mortgage or ground lease until such consent is received from such mortgagee. This Article shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, TENANT shall execute and deliver promptly any certificate that LANDLORD and/or any mortgagee and/or LANDLORD under any ground or underlying lease and/or their respective successors may require and TENANT hereby appoints LANDLORD and/or any mortgagee and/or the LANDLORD under any ground or underlying lease and/or their respective successors in interest as TENANT'S attorney-in-fact to execute and deliver any such certificate or certificates for, in the name of and on behalf of TENANT should TENANT not deliver the same to LANDLORD within the ten (10) days of LANDLORD'S request therefor.

Without limitation of any of the provisions of this Lease, if any ground LANDLORD or mortgagee shall succeed to the interest of LANDLORD by reason

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of the exercise of its rights under such ground lease or mortgage (or the acceptance of voluntary conveyance in lieu thereof) or the expiration or sooner termination of such ground lease, however caused, then such successor shall give written notice to TENANT (which in the case of a ground lease shall be within thirty (30) days after such expiration or sooner termination) that it is succeeding to the interest of LANDLORD under this Lease; and in such event, the TENANT shall attorn to such successor and shall ipso facto be and become bound directly to such successor in interest to LANDLORD to perform and observe all the TENANT'S obligations under this Lease without the necessity of the execution of any further instrument. Nevertheless, TENANT agrees at any time and from time to time during the term hereof to execute a suitable instrument in confirmation of TENANT'S agreement to LANDLORD, and/or the ground LANDLORD, or such mortgagee, and/or their respective assigns and TENANT'S attorney-in-fact, to execute and deliver any such agreement of attornment for and on behalf of TENANT.

ARTICLE XV - LANDLORD'S ACCESS

The LANDLORD or agents of the LANDLORD may, upon reasonable prior notice (except no notice shall be necessary in the event of an emergency), at reasonable times, enter to view the Leased Premises and may remove placards and signs not approved and affixed as herein provided, and make repairs and alterations as LANDLORD should elect to do and may show the Leased Premises to others, and at any time within SIX (6) months before the expiration of the term, may affix to any suitable part of the Leased Premises a notice for letting or selling the Leased Premises or property of which the Leased Premises are a part and keep the same so affixed without hindrance or molestation. LANDLORD agrees to make such entries in a manner which will minimize any disruption to TENANT within the Leased Premises.

ARTICLE XVI - INDEMNIFICATION

TENANT hereby covenants to indemnify and save harmless, LANDLORD and LANDLORD'S partners, agents, servants, employees, officers, attorneys, shareholders and directors (collectively, "Landlord Group") from and against any actions, judgments, damages, costs, claims, liabilities or penalties asserted by or on behalf of any person, firm, corporation or public authority, including attorneys fees and expenses:

(a) On account of or based upon any injury to person, or loss of or damage to property sustained or occurring in, on, upon the Leased Premises.

(b) To the extent based upon any injury to person or loss of

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or damage to property sustained or occurring in or about the Office Building or Office Building Parcel, arising out of the negligence of TENANT its employees, agents, contractors, subtenants, assignees, licensees, or invitees, but solely insofar as such negligence of TENANT occurs in its capacity as a tenant and the relationship of such employees, agents, contractors, assignees, licensees, or invitees with TENANT arises as a result of TENANT'S occupancy of the Premises as a tenant and is not related to services performed by TENANT in its capacity as manager of the Shopping Center pursuant to a Management Agreement of even date herewith, in addition to and not in limitation of subparagraph (a) above.

Neither LANDLORD nor Landlord Group shall be liable for any defect in the

Leased Premises, Common Area, the Office Building or Office Building Parcel or in any of the improvements, equipment, machinery, or apparatus thereon, nor shall LANDLORD nor Landlord Group be liable to TENANT for any loss of life, bodily or personal injury, or property damage of TENANT caused by or resulting from: (i) steam, snow or ice, (ii) leakage, backing up, seepage, or overflow of water or sewer, (iii) fire, casualty, act of God or the elements, or (iv) the design, construction, operation or use of any improvement, machinery, apparatus or equipment in or on the Leased Premises, Common Area or Office Building Parcel except to the extent that the same shall have resulted from the negligence of LANDLORD or Landlord Group or from a failure by LANDLORD to perform its obligations under this Lease.

In the event the Landlord Group or any member thereof shall be made a party to any litigation arising out TENANT's occupancy of the Leased Premises as tenant (and unrelated to TENANT's responsibilities as manager of the Shopping Center) and LANDLORD's liability for claims made against it would be limited to claims and amounts for which TENANT would be responsible hereunder, TENANT shall indemnify, protect and save harmless the Landlord Group therefrom and shall pay upon demand all damages, costs, expenses and attorneys' fees arising out of or related thereto.

TENANT shall store, sell and use TENANT'S property, fixtures, inventory, and equipment in, the Leased Premises and all other portions of the Common Area and Office Building, at TENANT'S own risk, and TENANT shall and does hereby release the Landlord Group from and against any and all claims of any nature arising out of or related thereto.

Anything in this lease to the contrary notwithstanding, neither LANDLORD nor Landlord Group shall have personal liability hereunder and TENANT shall look solely to the estate and property of LANDLORD in the land and the

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Office Building for the collection of any judgment or other judicial process arising out of any default or breach by LANDLORD with respect to any of the terms of covenants of this lease to be observed or performed by LANDLORD, and no other assets of LANDLORD or Landlord Group shall be subject to levy, execution or other procedures for the satisfaction of TENANT'S remedies.

This Article XVI shall survive the termination of this Lease.

ARTICLE XVII - WAIVER OF SUBROGATION

TENANT covenants that with respect to any insurance coverage carried by TENANT in connection with the Leased Premises or the Office Building or Office Building Parcel (whether or not such insurance is required by the terms of this Lease) such insurance shall provide for the waiver by the insurance carrier of any subrogation rights against LANDLORD, its agents, servants and employees.

ARTICLE XVIII - FIRE, CASUALTY/EMINENT DOMAIN

18.1 (A) If the Leased Premises or any part thereof shall be damaged by fire or other casualty, TENANT shall give immediate notice thereof to LANDLORD. If a substantial portion of the Office Building or the Leased Premises shall be damaged by fire or other casualty, the LANDLORD may elect to terminate this Lease by giving the TENANT notice of such election within sixty (60) days of such fire or other casualty.

(b) If the Leased Premises or any part thereof shall be damaged by fire or other casualty, and the LANDLORD does not elect to terminate the Lease pursuant to this Section 18.1, LANDLORD shall proceed with reasonable diligence at its expense to repair or cause to be repaired such damage provided that LANDLORD shall not be obligated to expend funds therefore in excess of the amount recoverable from LANDLORD'S insurer on account of such damage. All repairs to and replacements of TENANT'S property and alterations installed at TENANT'S expense shall be made by and at the expense of TENANT. If the Leased Premises or any part thereof shall have been rendered unfit for TENANT'S use and occupation by reason of such damage, the minimum annual rent or a just and proportionate part thereof, according to the nature and extent of the impairment of the Leased Premises and the TENANT'S use thereof shall be abated until the Leased Premises (except as to TENANT'S property and alterations installed at TENANT'S expense) shall have been restored as nearly as practicable to the condition in which they were immediately prior to such casualty and are rendered suitable for TENANT'S occupancy. LANDLORD shall not be liable for delays in the

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making of any such repairs due to acts of God, as defined herein, nor shall LANDLORD be liable for any inconvenience or annoyance to TENANT or injury to TENANT'S business resulting from reasonable delays in repairing such damage.

(c) In case the Office Building or any part thereof materially affecting TENANT'S use of the Leased Premises is so damaged by such fire or other casualty that reconstruction of the Office Building and the Leased Premises to substantially their former condition (except as to TENANT'S property

and alterations installed at TENANT'S property and alterations installed at TENANT'S expense) may reasonably be expected to take more than one hundred eighty (180) days from the date of damage to complete, or if LANDLORD fails within sixty (60) days of written notice from TENANT to confirm in writing that LANDLORD will so restore the Leased Premises and has or will have funds (insurance proceeds or otherwise) sufficient therefor, then, whether or not the Leased Premises shall have been damaged by such fire or other casualty, this Lease and the term hereof may be terminated at the election of the TENANT by a notice in writing of its election to terminate on a date stated in the notice, which notice shall be given no later than seventy (70) days after such damage and which date of termination shall be not less than thirty (30) days after the day on which such termination notice is given. In the event any such notice is duly given, this Lease and the term hereof shall expire, and rent shall be apportioned, as of such termination date.

18.2 (a) In the event that a substantial portion of the Office Building shall be taken or appropriated by eminent domain or shall be condemned for any public or quasi-public use, then this Lease and the term hereof may be terminated at the election of LANDLORD by a notice in writing of its election so to terminate, which notice shall be given no later than sixty (60) days following the date on which LANDLORD shall have received notice of such taking, appropriation, or condemnation. If the entire Leased Premises or such portion thereof or a substantial portion of the Office Building Parcel or the access thereto shall be so taken, appropriated, or condemned, such that TENANT shall be precluded from utilizing the Leased Premises substantially as contemplated, then this Lease and the term hereof may be terminated at the election of TENANT by a notice in writing of its election so to terminate, which notice shall be given no later than sixty (60) days following the date on which TENANT shall have received notice of such taking, appropriation or condemnation. Upon the giving of any such notice of termination (either by LANDLORD or TENANT) this Lease and the term hereof shall terminate on or retroactively as of the date on which LANDLORD or TENANT, as the case may be, shall be required to vacate any portion

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of the area so taken, appropriated or condemned or shall be deprived of the means of access thereto, provided, however, that LANDLORD may in LANDLORD'S notice of termination elect to terminate this Lease and the term hereof retroactively as of the date on which such taking, appropriation or condemnation became legally effective. In the event of such termination, this Lease and the term hereof shall expire as of such effective termination date and rent shall be apportioned as of such date.

(b) If neither party (having the right to do so) elects to terminate this Lease and the term hereof, LANDLORD shall, with reasonable diligence and at LANDLORD'S expense, restore the remainder of the Leased Premises (but not TENANT'S personal property or alterations installed at TENANT'S expense), and the means of access thereto, as nearly as practicable to the condition which obtained prior to such taking, appropriation or condemnation, in which event the minimum annual rent shall be adjusted such that a just proportion of the minimum annual rent shall be abated according to the nature and extent of the taking, appropriation or condemnation. LANDLORD shall not be liable for any delays in such restoration which are due to acts of God, as defined herein, nor shall LANDLORD be liable for any inconvenience or annoyance to TENANT or injury to TENANT'S business resulting from reasonable delays in such restoration (although the same shall be taken into account in connection with any abatement of rent). LANDLORD expressly reserves and TENANT hereby assigns to LANDLORD all rights to compensation and damages created, accrued or accruing by reason of any such taking, appropriation or condemnation, excluding only rights to compensation or damages relating to TENANT'S fixtures, property, or equipment or relocation expenses made directly to TENANT by a governmental agency or entity.

(c) If the Leased Premises or any part thereof or the access thereto shall be taken, appropriated or condemned for any temporary use (i) this Lease shall be and remain unaffected thereby and TENANT shall continue to pay the full amount of the rent, (ii) TENANT shall be entitled to receive for itself any award made for such use allocable to the term of this Lease, and (iii) TENANT shall be responsible for any repairs necessary to restore the Leased Premises to their condition prior to such taking, appropriation or condemnation, provided that if any such taking, appropriation or condemnation extends beyond the term of this Lease then the costs of such repairs shall be allocated between LANDLORD and TENANT in proportion to the amount of any award each receives. Any taking, appropriation or condemnation continuing in excess of one (1) year shall be deemed to be a permanent taking, appropriation or condemnation and shall be governed by subparagraphs (a) and (b) above.

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ARTICLE XIX - DEFAULT

19.1 If TENANT shall default in the payment of rent or any other charges due hereunder and such default shall continue for ten (10) days after written notice to TENANT, or if TENANT shall default in the performance of any other of its obligations and such default shall continue for ten (10) days after

written notice thereof to the TENANT (except that if the TENANT cannot reasonably cure any such default of its other obligations within said ten (10) day period, this period may be extended for a reasonable time not exceeding thirty (30) days, provided that the TENANT commences to cure such default within the ten(10) day period and proceeds diligently thereafter to effect such cure), or TENANT fails to take possession or occupancy of, or abandons the Leased Premises, for more than two weeks, or an assignment or sublease in breach of Article XIII, or if the TENANT shall file a petition under any bankruptcy or insolvency law, or if such a petition filed against TENANT is not dismissed within sixty (60) days, or if the TENANT shall be adjudicated bankrupt or insolvent according to law, or if the TENANT shall make any assignment for the benefit or creditors, or if the TENANT shall file any petition seeking a reorganization, arrangement or similar relief, or if a receiver, custodian, trustee or similar agent of the Leased Premises or of all or a substantial part of TENANT'S assets shall be authorized or appointed, or if TENANT'S interest in this Lease is taken upon execution or other process of law in any action against TENANT.

Upon the occurrence of any of such events described above the LANDLORD may lawfully enter the Leased Premises and repossess the same as the former estate of the LANDLORD, or terminate this Lease by written notice to TENANT and, in either event, expel the TENANT and those claiming through or under the TENANT any process of law, and remove their effects without prejudice to any other remedy which the LANDLORD may have for arrears of rent and other charges due hereunder or proceeding on account of breach of covenant, and upon entry or notice as aforesaid, this Lease shall terminate. TENANT covenants, in case of any default by TENANT hereunder (which covenant shall survive the termination of this Lease), to pay LANDLORD all costs of enforcing its rights under this Lease (including, without limitation, reasonable attorney's fees and expenses), loss of rent, reletting expenses, and brokerage fees together with, as agreed liquidated damages, the greater of either (i) the amount by which, at the termination of the Lease, the aggregate of the rent and other sums payable hereunder projected over a period from such termination until the termination date stated herein as the same may have been extended exceeds the aggregate projected fair market rental value of the Leased Premises for such period, or

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(ii) an amount equal to the rent (including, without limitation, tax payments projected on the basis of experience under this Lease) and other sums which would have been payable had the Lease not so terminated (subject to off-set for net rents actually received from reletting after subtraction of the expenses of reletting), payable upon the due dates as specified herein.

LANDLORD may bring legal proceedings for the recovery of such damages, or any installments thereof, from time to time at its election, and nothing contained herein shall be deemed to require LANDLORD to postpone suit until the date when the term of this Lease would have expired if it had not been terminated hereunder.

Nothing herein contained shall be construed as limiting or precluding LANDLORD'S recovery from TENANT of any amount or damages (including, without limitation, reasonable attorney's fees and expenses) to which, in addition to the damages particularly provided above, LANDLORD may lawfully be entitled by reason of any default hereunder on the part of TENANT.

19.2 LANDLORD shall not be in default of any of its obligations unless it shall fail to perform such obligations within thirty (30) days (or such further time as is reasonably necessary) after receipt of written notice thereof from TENANT. Notwithstanding the foregoing, LANDLORD shall respond to any of its obligations involving emergency situations on an as soon as possible basis. TENANT shall give like notice to any mortgagee which has so requested in writing, which mortgagee shall have like opportunity to cure.

19.3 (a) If TENANT shall default in the observance or performance of any term, covenant or condition on its part to be observed or performed under this Lease, LANDLORD, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of TENANT, immediately but with notice which is reasonable under the circumstances in case of emergency, and in any other case after TENANT shall fail to remedy such default within the time set forth in this Lease, and after LANDLORD shall have given notice to TENANT of such failure. If LANDLORD makes any expenditures or incurs any obligations for the payment of money in connection therewith, including, but not limited to, reasonable attorney's fees and expenses, such sums paid or obligations incurred, with interest at the rate of eighteen percent (18%) per annum shall be paid to LANDLORD by TENANT as rent hereunder.

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ARTICLE XX - NOTICE

Any notice from the LANDLORD to the TENANT shall be deemed duly served if mailed to the TENANT at the address set forth on page one of this Lease prior to the commencement of the term, or to the Leased Premises after the

commencement date, registered or certified mailed, return receipt requested, postage prepaid, Federal Express or other recognized overnight carrier. Any notice from the TENANT to the LANDLORD relating to the Leased Premises or to the occupancy thereof, shall be deemed duly served, if mailed to the LANDLORD by registered or certified mail, return receipt requested, postage prepaid, or by Federal Express or other recognized overnight carrier, addressed to the LANDLORD at 1000 Franklin Village Drive, Suite 301, Franklin, Massachusetts 02038 or at such other address as the LANDLORD may from time to time advise in writing.

ARTICLE XXI - SURRENDER

Subject to the provisions of Article 12.2 hereof, the TENANT shall at the expiration or other termination of this Lease remove all TENANT'S goods and effects from the Leased Premises, (including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the TENANT, either inside or outside the Leased Premises). TENANT shall deliver to the LANDLORD the Leased Premises and (subject to the provisions of Article XII hereof) all keys and locks thereto, and other fixtures connected therewith and all alterations and additions made to or upon the Leased Premises, in good condition, ordinary wear and tear, only excepted. In the event of the TENANT'S failure to remove any of TENANT'S property from the Leased Premises, LANDLORD is hereby authorized upon five (5) days notice to TENANT without liability to TENANT for loss or damage thereto, and at the sole risk of TENANT, to remove and store any of said property at TENANT'S expense, or to retain same under LANDLORD'S control or to sell at public or private sale, without notice of any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property.

ARTICLE XXII - COVENANT OF QUIET ENJOYMENT

LANDLORD hereby warrants that it and no other person or corporation has the right to Lease the Leased Premises hereby demised. So long as TENANT shall perform each and every covenant to be performed by TENANT hereunder (subject to applicable grace periods), TENANT shall have peaceful and quiet possession of the Leased Premises without hindrance on the part of the LANDLORD or persons

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claiming by or through the LANDLORD or anyone under LANDLORD'S control.

ARTICLE XXIII - INSPECTION

TENANT will permit LANDLORD, its agents, employees and contractors to enter all parts of the Leased Premises upon prior reasonable notice to inspect the same and to enforce or carry out any provision of this Lease.

ARTICLE XXIV - NON-WAIVER

No reference to any specific right or remedy shall preclude LANDLORD from exercising any other right or from having any other remedy or from maintaining any action to which it may otherwise be entitled either at law or in equity.

LANDLORD'S failure to insist upon a strict performance of any covenant of this Lease or to exercise any option or right herein contained shall not be a waiver or relinquishment for the future of such covenant, right or option, but the same shall remain in full force and effect.

ARTICLE XXV - CAPTIONS AND HEADINGS

The captions and headings used herein are intended only for the convenience of the reference and are not to be used in construing this instrument.

ARTICLE XXVI - APPLICABLE LAW

This Lease shall be construed under the laws of the Commonwealth of Massachusetts. If any provision of this Lease, or portion thereof, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

ARTICLE XXVII - NO PARTNERSHIP

Any intention to create a joint venture or partnership relation between the parties hereto is hereby expressly disclaimed.

ARTICLE XXVIII - LIABILITY

If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) shall sign this Lease as TENANT, the liability of each individual, corporation, partnership or other business association to pay rent and perform all other obligations

hereunder shall be deemed to be joint and several. In a like manner, if the TENANT named in this Lease shall be a partnership or other business association, the members of which are, by virtue of statute or general law, subject to personal liability, the liability of each such member shall be deemed to be joint and several.

TENANT shall neither assert nor seek to enforce any claim for breach of this Lease against any of LANDLORD'S assets other than LANDLORD'S interest in the Office Building and in the rents, issues and profits thereof (but not including funds distributed by LANDLORD to the shareholders, partners or beneficiaries), and TENANT agrees to look solely to such interest for the satisfaction of any liability of LANDLORD under this Lease. In no event shall LANDLORD (which term shall include without limitation all of the officers, trustees, directors, partners, beneficiaries, joint ventures, members, stockholders or other principals or representatives, disclosed or undisclosed, thereof) ever be personally liable for any such liability or ever be personally liable for damages, whether direct, consequential, punitive or otherwise. Each LANDLORD shall be liable only for events occurring during that person's ownership of LANDLORD'S estate.

ARTICLE XXIX - RULES AND REGULATIONS

The rules and regulations attached to this Lease as Exhibit B and made a part hereof are hereby made a part of this Lease, and TENANT agrees to comply with and observe the same. TENANT'S failure to keep and observe said rules and regulations shall constitute a breach of the terms of this Lease in the manner as if the same were contained herein as covenants. LANDLORD reserves the right from time to time to amend or supplement said rules and regulations and to adopt and promulgate additional reasonable rules and regulations applicable to the Leased Premises, the Office Building, the Office Building Parcel and the Shopping Center. Notice of such additional rules and regulations, and amendments and supplements, if any, shall be given to TENANT and TENANT agrees thereupon to comply with and observe all such rules and regulations, and amendments thereto and supplements thereof. LANDLORD agrees that such rules and regulations shall be enforced by LANDLORD on a uniform and nondiscriminatory basis.

ARTICLE XXX - EXAMINATION

The submission of this Lease for examination does not constitute a reservation of or option for the Leased Premises, and this Lease becomes effective only upon execution and delivery thereof by LANDLORD and TENANT.

ARTICLE XXXI - ESTOPPEL

TENANT agrees that at any time and from time to time at reasonable intervals, within ten (10) days after written request by LANDLORD, TENANT will execute, acknowledge and deliver to LANDLORD, LANDLORD'S mortgagee, or an assignee designated by LANDLORD, a writing ratifying this Lease and certifying: (a) that TENANT has entered into occupancy of the Leased Premises and the date of such entry if such is the case; (b) that this Lease is in full force and effect, and has not been assigned, modified, supplemented or amended in any way (or if there has been any assignments, modification, supplement or amendment, identifying the same); (c) that this Lease represents the entire agreement between LANDLORD and TENANT as to the subject matter hereof (or if there has been any assignment, modification, supplement or amendment, identifying the same); (d) the date of commencement and expiration of the term; (e) that all conditions under this Lease to be performed by LANDLORD have been satisfied and all required contributions by LANDLORD to TENANT on account of TENANT'S improvements have been received (and, if not, what conditions remain unperformed or contribution unpaid); (f) that to the knowledge of the signer of such writing, except as otherwise stated, no default exists in the performance or observance of any covenant or condition in this Lease and there are no defense or offsets of which the signer may have knowledge; (g) the amount of minimum rent then payable hereunder; (h) that minimum rent and all other rentals have been paid under this Lease, if such be the case; and (i) such other information as LANDLORD may reasonably request. TENANT hereby irrevocably appoints LANDLORD its attorney-in-fact to execute such a writing in the event TENANT shall fail to do so within ten (10) days of receipt of LANDLORD'S request.

ARTICLE XXXII - HOLDOVER

If TENANT remains in the Leased Premises beyond the expiration or earlier termination of the term of this Lease without the consent of LANDLORD, such holding over shall not be deemed to create any tenancy, but TENANT shall be a tenant-at-sufferance only and shall pay rent to LANDLORD at the times and in the manner determined by LANDLORD at a daily rate equal to one and one half (1.5) the amount of all rent and other sums payable under this Lease as of the day preceding the expiration or termination of this Lease as aforesaid. If LANDLORD gives TENANT written permission to holdover after the term hereof, rental shall be payable at the then applicable rental rate under this Lease for the period of such holdover.

ARTICLE XXXIII - NOTICE OF LEASE

TENANT agrees that it will not record this Lease. LANDLORD and TENANT shall, upon request of either, execute and deliver a notice of this Lease in such recordable form as may be required by applicable statute.

ARTICLE XXXIV - ALL AMOUNTS ARE RENT

All amounts payable to TENANT to LANDLORD under any provision of this Lease shall be deemed to be rent or additional rent for the use of the Leased Premises, and LANDLORD'S remedies for the nonpayment of such amounts shall be the same as for nonpayment of minimum annual rent.

ARTICLE XXXV - ACTS OF GOD

In any case where either party is required to do any act other than the payment of rent, delays caused by or resulting from acts of God, war, civil commotion, fire, flood or other casualty, labor difficulties, shortages of labor, materials or equipment, unusual government regulations, unusually severe weather or other causes beyond such party's reasonable control shall not be counted in determining the time during which such act shall be completed, whether such time be designated as a fixed date, a fixed time or "a reasonable time", and such time shall be deemed to be extended by the period of such delay.

ARTICLE XXXVI - NO ACCORD AND SATISFACTION

No acceptance by LANDLORD of a lesser sum than the minimum annual rent, additional rent, or any other charge then due shall be deemed to be other than on account of the earliest installment of such amount due, and notwithstanding any endorsement or statement on any check or any letter accompanying any check for payment, LANDLORD may accept such check or payment without prejudice to LANDLORD'S right to recover the balance of such amount or pursue any other remedy provided in this Lease or by law.

ARTICLE XXXVII - PARTIAL INVALIDITY

The invalidity of one more of the provisions of this Lease shall not affect the remaining portions of this Lease; and, if any one or more of the provisions of this Lease should be declared invalid by final order, decree or judgment of a court of competent jurisdiction, this Lease shall be construed as if such invalid provisions had not been included in this Lease.

ARTICLE XXXVIII - UNIFORM SIGN PROGRAM

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TENANT agrees to pay for its share of the installation of the directory of the TENANT'S of the Office Building and shall pay for installation of any and all signs permitted by LANDLORD, which shall be consistent with the sign criteria attached hereto as Exhibit C and made a part hereof.

ARTICLE XXXIX - BROKERS

LANDLORD and TENANT each represent to the other that they have not entered into any agreement or incurred any obligation in connection with this transaction which might result in the obligation to pay a brokerage commission to any broker other than Cedar Shopping Centers Partnership, L.P. ("Broker"). TENANT agrees to indemnify and hold harmless LANDLORD from and against any and all costs, expense or liability (including, attorneys' fees) for any compensation, commission and charges caused by any broker or agent (other than the Broker) by reason of any broker or agent having had conversations or dealings with TENANT with respect to this Lease or the negotiations thereof.

ARTICLE XL - HAZARDOUS WASTES

TENANT shall neither suffer nor itself manufacture, store, handle, transport, dispose of, spill, leak, dump any toxic or hazardous waste, waste product or substance (as they may be defined in any Federal or State statute, rule or regulation pertaining to or governing such wastes, waste products or substances) at the Building, Common Area or Office Building Parcel at any time during the Term.

If Hazardous Substances are used, stored, generated or disposed of on or in the Leased Premises or Building whether or not permitted by LANDLORD or if the Leased Premises become contaminated in any manner TENANT shall indemnify and hold harmless the LANDLORD from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses, including reasonable attorney's fees and costs, arising out of or in any way connected with the use, manufacture, storage or disposal of Hazardous Substances by TENANT or TENANT'S agents, employees or contractors. The indemnity obligations of TENANT under this provision shall survive any termination of the Lease.

ARTICLE XLI - OFFICE BUILDING ALTERATIONS

LANDLORD shall have the right at any time without the same constituting an eviction and without incurring liability to TENANT therefor to change the arrangement and/or location of public entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of the Office

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Building and to change the name, number or designation of which the Office Building may be known. There shall be no allowance for TENANT for diminution of rental value and no liability on the part of LANDLORD by reason of inconvenience, annoyance or injury to business arising from LANDLORD or other tenants' making any repairs in the Office Building or any such alterations, additions and improvements.

ARTICLE XLII - PARKING

LANDLORD shall have the right to designate specific spaces to be used by TENANT and also the right from time to time to reassign such parking spaces when, in the opinion of the LANDLORD, a rearrangement of the parking allocations becomes necessary. TENANT shall comply with all rules and regulations which LANDLORD may reasonably prescribe from time to time for the proper functioning, operation and control of the parking facilities. The regulations shall also control the use, hours of permitted occupancy, operation and placement of motor vehicles in the parking facilities, and shall also contain any other rules and regulations reasonably deemed necessary and proper by the LANDLORD for the orderly conduct and maintenance of said parking facilities. Any violation by the TENANT of said rules and regulations shall be conclusively presumed to be a violation of the terms of this Lease. Four parking spaces currently designated for use by Calarese Development Corporation in the location as shown in Exhibit A shall be designated for the exclusive use of TENANT and its invitees.

ARTICLE XLIII - TERMINATION

TENANT and LANDLORD are simultaneously herewith entering into a Management Agreement (the "Management Agreement") whereby TENANT will perform certain services with respect to the Office Building and Office Building Parcel. In the event that the Management Agreement is terminated then LANDLORD or TENANT may terminate this Lease upon thirty (30) days written notice to the other and this Lease shall terminate upon the expiration of such 30-day period as if such date were the original Expiration Date set forth in this Lease.

ARTICLE XLIV - SIGNS

TENANT shall not install any signs upon the Leased Premises, Office Building or Office Building Parcel without Landlord's prior written consent. If LANDLORD shall consent to any sign, upon termination of the Lease, TENANT shall remove said sign and restore the Leased Premises and/or the Office Building to the condition existing prior to the installment of such sign. TENANT may keep and maintain current sign locations occupied by Calarese Development Corporation

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as shown on Exhibit A.

ARTICLE XLV - SUCCESSORS AND ASSIGNS

This Lease and the terms hereof shall be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns.

ARTICLE XLVI - FINANCING REQUIREMENTS

If in connection with obtaining financing for the Office Building, a bank, insurance company, pension trust or other institutional lender shall request reasonable modifications in this Lease as a condition to such financing, TENANT will not unreasonably withhold, delay, or condition its consent thereto, provided that such modifications do not increase the obligations of TENANT hereunder or materially adversely affect the leasehold interest hereby created.

ARTICLE XLVII-TIME OF ESSENCE

Time is of the essence with respect to Tenant's obligations and covenants under this Lease.

ARTICLE XLVIII - ENTIRE AGREEMENT

This Lease and the Exhibits hereto constitute the full and complete agreement between the parties hereto with respect to the Leased Premises and there are no other terms, obligations, covenants, representations, warranties or conditions other than contained herein.

IN WITNESS WHEREOF, LANDLORD and TENANT have caused this Lease to be signed, sealed and delivered as of the day first above written.

LANDLORD:
CEDAR-FRANKLIN VILLAGE, LLC

BY: _____
Name:
Title:

TENANT:
CALARESE Properties, Inc.

BY: _____
Name:
Title:

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COUNTY OF _____, 2004

On this _____ day of _____, 2004, before me, personally appeared the above-named ROGER V. CALARESE, who, being by me duly sworn, acknowledged the foregoing instrument to be the free act and deed of Calarese Properties, Inc.

NOTARY PUBLIC
MY COMMISSION EXPIRES:

COUNTY OF _____, 2004

On this _____ day of _____, 2004, before me, personally appeared the above-named _____, known to me to be the _____ of _____ and who, being by me duly sworn, acknowledged the foregoing instrument to be _____ free act and deed as said _____ of Cedar-Franklin Village, LLC.

NOTARY PUBLIC
MY COMMISSION EXPIRES:

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EXHIBIT A

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EXHIBIT B

FRANKLIN VILLAGE OFFICE BUILDING RULES AND REGULATIONS

1. The sidewalk, entrances, passages, corridors, vestibules, halls, elevators or stairways in and about the Office Building shall not be obstructed by Lessee.
2. Lessee shall not place objects against glass partitions, doors or windows which would be unsightly from the Office Building corridor or from the exterior of the Office Building.
3. Lessee shall not waste electricity or water in the Office Building or Premises and shall cooperate fully with Lessor to assure the most effective operation of the Building heating and air-conditioning systems.
4. No additional or different locks or bolts shall be affixed on doors by Lessee. Lessee shall return all keys to Lessor upon termination of Lessee's lease.
5. Lessee shall not allow peddlers, solicitors, or beggars in the Office

Building and shall report such persons to the Building Office.

6. No bicycles, vehicles, or animals of any kind shall be brought into or kept in or about the Premises.

7. No space in the Office Building shall be used for manufacturing, or for the sale of merchandise of any kind at auction or for storage thereof preliminary to such sale.

8. Lessee shall not engage or pay any employees of the Office Building without approval from the Lessor.

9. Lessee shall not bring into the Office Building and shall not permit or place within the Premises matter of any description which would result in a floor load in excess of the load which such floor was designed to carry, without prior written approval of Lessor in each instance.

10. All removals from the Office Building, or the carrying in or out of the Office Building or Premises of any freight, furniture or bulky matter of any description, must take place at such time and in such manner as Lessor may determine from time to time.

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11. Lessor may prohibit any advertising by Lessee which refers to the Office Building and which in Lessor's opinion tends to impair the reputation of the Office Building.

12. Lessor reserves the right to exclude from the Office Building, between the hours of 6:00 a.m. and 8:00 a.m. on business days and at all hours on Saturday, Sunday and holidays, all persons who do not present a pass or other appropriate identification approved by the Lessor. Lessor will furnish passes to persons designated by Lessee. Lessee shall be responsible to Lessor for all acts of such persons.

13. Holidays, for purposes of Office Building operations, shall be those days upon which in the Town of Franklin, Massachusetts, the following holidays are observed from time to time:

New Years' Day	Labor Day
Washington's Birthday	Columbus Day
Patriot's Day	Veteran's Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day
Easter Day	

and any additional holidays there observed which may at ant time be provided by Town, County, State or Federal Governments.

14. Lessee shall cooperate with Lessor in minimizing loss and risk thereof from fire and associated perils.

15. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were designated and constructed, and no sweepings, rubbish, rags, acids or like substances shall be deposited therein.

16. Lessor shall not be responsible to any tenant for the non-observance or violation by any other tenant, however resulting, of any of the rules and regulations at any time prescribed for the Office Building.

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EXHIBIT C

FRANKLIN VILLAGE

OFFICE BUILDING SIGN CRITERIA

1. Lessee and sublessees shall be allowed to place one sign on the entrance to the Premises limited to the name of Lessee.

2. Lessee's and sublessees' name and the location of the Premises shall be shown on the interior and exterior Office Building Directory.

3. All signs allowed hereunder shall be subject to any and all required approvals from any local, state or federal government or governmental agencies.

4. The use of corporate shields, crests, logos or insignia will be permitted (subject to Lessor's approval) provided such corporate shields, crests, logos or insignia shall not exceed the height of upper case sign letters.

5. All signs shall be subject to Lessor's approval. Within ninety (90) days from

either of the following dates, whichever occurs later: (a) receipt of Space Layout Drawings from Lessor, or (b) Execution of the Lease, Lessee shall submit three (3) sets of blue-line prints of the drawings and specifications for all its proposed sign work. The drawings shall clearly show location of sign, graphics, color and construction and attachment details, along with material samples.

As soon as possible after receipt of sign drawings, the Lessor shall return to the Lessee one (1) set of such sign drawings with its suggested modifications and/or approval. If upon receipt of approved sign drawings bearing Lessor's comments, Lessee wishes to take exception thereto, Lessee may do so in writing by Certified or Registered Mail of receipt of such sign drawings. Unless such action is taken, it will be deemed that such comments made by the Lessor on the sign drawings are acceptable to and approved by the Lessee.

6. Lessee shall be responsible for payment for the design, installation and operation of the signs permitted pursuant hereto.

7. Prohibited Types of Signs or Sign Components:

a. Moving or rotating signs;

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b. Back-illuminated signs;

c. Signs employing moving or flashing lights;

d. Signs employing exposed raceways, ballast boxes or transformers;

e. Signs employing illuminated letters.

f. Signs of box or cabinet type construction employing transparent, translucent or luminous plastic background panels.

g. Signs employing luminous-vacuum formed type plastic letters;

h. Signs employing noise making devices and components;

i. Signs, letters, symbols or identification of any nature painted directly on the exterior surfaces of the premises;

j. Free-standing signs;

k. Signs employing unedged or uncapped plastic letters, or letters with no returns and exposed fastenings;

l. Rooftop or exterior signs; and

m. The name "Franklin Village" is not permitted in any Lessee's sign.

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PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT ("Agreement") made as of November 1, 2004, by and between CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company ("Owner") and Calarese Properties, Inc., a Massachusetts Corporation ("Agent").

BACKGROUND

A. Owner is the owner of the land and improvements known as Franklin Village Shopping Center, Franklin, MA 02038 (the "Property").

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

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

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

2. Agent agrees (in accordance with Owner's standard written operating procedures provided, simultaneously herewith, by Owner to Agent), 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, except as directed otherwise by Owner (in which event Owner shall bear the administrative costs of relieving Agent of such duty or duties), take all such actions as Agent shall deem necessary or advisable to enforce all rights and remedies of Owner under the leases relating to the Property (the "Leases") or to protect the interest of Owner, including, without limitation, the preparation and delivery to tenants under the Leases ("Tenants") of all "late payment", default, and other appropriate notices, requests, bills, demands, and statements. Agent, with Owner's prior written approval, may retain counsel, collection agencies, and such other persons and firms as Agent shall deem appropriate or advisable to enforce, after notification to Owner, by legal action the rights and remedies of Owner against any Tenant default in the performance of its obligations under a Lease. Agent shall promptly notify Owner of the progress of any such legal action;

2.3 [Intentionally Omitted]

2.4. Agent shall periodically report to Owner on the general operations, occupancy, physical condition, disbursements, delinquencies, uncollectible accounts, and other matters relating to the Property. Agent shall prepare and submit to Owner for its approval no later than November 1 of each calendar year (or such later date as the parties agree, but in any case by December 1, 2004 for calendar year 2005) a proposed pro forma budget for all costs pertaining to the operation and maintenance of the Property during the ensuing calendar year. Each such budget shall be substantially in the same form as the approved budget in effect for the prior calendar year, shall set forth expenditures on an annual and a monthly basis, and shall not, except for informational purposes, include estimates for costs and expenses for which Owner will be reimbursed by Tenants under the Leases. Agent shall make such reasonable modifications to each proposed pro forma budget it prepares in accordance with this Section until Owner shall have approved this budget in writing, which approval shall be at its sole discretion. Such budget and revisions shall be deemed to be accepted and approved by Owner unless specifically rejected or accepted within fifteen (15) days of submission: All of the matters set forth in this Section 2.4 shall be performed only upon the instruction of and in the manner required by Owner.

2.5. To account for all advance deposits of Tenants;

2.6. To request refunds to Tenants from escrow accounts, the 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 polices, Tenant

insurance certificates, or other evidence of insurance required to be carried by Tenants;

2.8. [Intentionally Omitted.]

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

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

2.11. To negotiate on behalf of Owner any applicable labor or collective bargaining agreements related to employees of Owner at the Property only upon the instruction of and in the manner required by Owner;

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2.12. To hire, discharge, promote or demote, and supervise the on-site employees of Owner, if any, whose wages and fringe benefits shall be the responsibility of Owner, which employees may include, but are not necessarily limited to, building manager, maintenance personnel, porters, laborers, security staff and watchmen, provided, however, that any personnel hired by Agent whose wages are not provided for in the approved budget, or otherwise approved by Owner shall be employees of Agent and their wages and fringe benefits shall be paid by Agent without reimbursement by Owner. Without limiting the foregoing, Owner agrees that the two (2) maintenance employees working at the Property immediately prior to the Owner's acquisition of the Property shall be employed by Agent, and Agent shall bill the work of such employees to Owner at the same hourly rate as were historically billed to the prior owner of the Property for work by such employees, which rates shall be reflected in the approved budget.

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. [Intentionally Omitted.]

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 assist with preparation and, where appropriate, transmit payroll records, accounting reports, vacancy and occupancy reports, delinquency reports, cash flow reports, and disbursement ledgers. Agent may contract with others, including but not limited to entities or persons affiliated with it, or provide its own personnel for the performance of accounting, bookkeeping and computer services in connection with such preparation assistance and transmittal, all without any additional charge to Owner. All of the matters set forth in this Section 2.15 shall be performed only upon the instruction of and in the manner required by Owner;

2.17. To institute and prosecute on behalf of Owner, and with Owner's prior written approval, such legal actions or proceedings as the Agent deems to be appropriate; to collect sums due Owner; with Owner's approval, to evict a Tenant, former Tenant or occupant of the Property; to regain possession of the Property or any part thereof; to contest any bill or charge asserted against or with respect to the Property; to defend any administrative or legal action brought against Agent and/or Owner with respect to the Property; with Owner's approval, to commence litigation pertaining to any labor or employment related dispute; to administratively process or litigate any tax related issue or other issues relating to the Property; to appeal all such proceedings and law suits; and to settle or compromise any claims, law suits, judgments and proceedings relating to the Property, provided however that Agent shall first notify Owner of any compromise which would result in an expenditure by or loss to Owner in excess of Ten Thousand Dollars (\$10,000.00) in the aggregate;

2.18. [Intentionally Omitted.]

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 office buildings/retail property as is necessary or appropriate with respect to the operation of the Property;

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

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

2.23. In the event Agent is able to arrange for construction work performed at the Property on behalf of Owner at a lower cost than Owner is able to procure for itself (using, if required by Owner, union labor), to supervise and arrange for construction work required by Owner and to receive a construction supervision fee in the amount of five percent (5%) of the total construction costs;

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 design work at the Property, all such services to be paid for by Owner;

2.25. To handle on behalf of Owner the submission to appropriate insurance officials of insurance claims and the settlement thereof,

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 as requested by Owner;

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

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

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

4. [Intentionally Omitted.]

5. Except as otherwise provided for herein, Owner shall pay to Agent a property management fee in an amount equal to three percent (3%) of the gross receipts of the Property. This fee shall be payable in monthly installments 10 days after the end of the month for which the management fee is applicable. Gross receipts of the Property shall include all rents, percentage rents, tenant charges, reimbursements from Tenants for common area maintenance charges, insurance, utilities and real estate taxes and such other amounts as are collected from Tenants and shall exclude the proceeds from any sale or refinancing of the Property or any portion thereof and the proceeds of any settlements, insurance award (except as provided in Section 2.24) or condemnation award. This fee does not include payment for leasing services.

5.1. Notwithstanding anything to the contrary contained herein or elsewhere in this Agreement, the parties hereto acknowledge and agree that pursuant to the terms of that certain Third Amendment to Agreement of Purchase and Sale (the "Third Amendment") dated as of September 13, 2004, by and between Roger V. Calarese and A. Richard Calarese, as trustees of Franklin Village Trust dated January 19, 1979, as amended, as seller ("Seller"), and Owner, as

purchaser, Seller agreed, among other things, to pay to Owner an amount equal \$5,333.33 plus pro-rata charges on account of taxes, insurance and common area maintenance at the Property with respect to certain vacant space at the Property formerly leased to Golf USA and EnviroSpace, as such amount may be reduced by rents actually received and by certain other payments as agreed between the parties (the "Enviro/Golf Payment Amount") on the first day of each full calendar month following the date hereof for twenty four (24) months (the "Payment Period"), commencing on the first day of the first full calendar month following the date hereof. From and after the commencement of the Payment Period, Seller's failure timely to pay the Enviro/Golf Payment Amount to Owner shall be an event of default hereunder pursuant to the Third Amendment, and Owner shall be entitled to offset any unpaid portion of the Enviro/Golf Payment Amount against any amounts payable to Agent under this Agreement, until such time as any and all delinquent portions of the Enviro/Golf Payment Amount are paid in full either by payment from Seller or Owner's offset rights hereunder.

5.2. Agent shall be the exclusive leasing agent for the Property. Subject to Section 5.1 above with respect to the Enviro/Golf Payment Amount, Owner shall pay Agent a commission at the rates annexed hereto as Schedule of Brokerage Commissions for each lease signed during the term of this Agreement upon occupancy by the tenant pursuant thereto. Notwithstanding the foregoing, in the event Owner (or an affiliate of Owner), procures a tenant during the term or if a third-party broker procures a tenant during the term or is otherwise due a commission in connection with a new tenant, the commission owed to Agent shall be reduced by fifty percent (50%). In the event of any renewal, extension, or an expansion of an existing lease, Agent shall not receive a commission.

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

7. [Intentionally Omitted.]

8. The Agent shall have a lease (copy attached) to occupy, during the term of this Agreement, the space at the Property identified as Suite 301 ("Agent's Office"), for use as Agent's office. In addition to Agent's Office, Agent shall have the exclusive right, during the term, at no cost to Agent, to utilize the garage on the Property, located behind space currently occupied by KB Toys, for use as storage for maintenance equipment.

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

10. The initial term of this Agreement shall be for a period of three (3) years from the date hereof and this Agreement shall automatically renew from year to year thereafter unless and until terminated by either party upon ninety (90) days' prior written notice thereof. Notwithstanding the foregoing, (i) Owner shall be entitled to terminate this Agreement (with no additional compensation) at any time upon fifteen (15) days' notice to Agent in the event of the malfeasance or breach of this Agreement by Agent or upon the filing of a bankruptcy petition against or by Agent, and (ii) Agent and Owner shall each be entitled to terminate this Agreement for convenience at any time upon thirty (30) days' notice to the other. Without limiting the foregoing, 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 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.

In the event Owner terminates Agent for Owner's convenience, for reasons other than (A) those reasons set forth in items (1), (ii), or (iii) above, or (B) the malfeasance or breach of this Agreement by Agent or upon the filing of a bankruptcy petition against or by Agent, Owner shall make a payment to Agent, on or before the date this Agreement terminates, of an amount equal to the product of (A) three percent (3%) of the average monthly gross receipts of the Property (based upon the twelve months immediately preceding the date of said termination), multiplied by (B) the lesser of (1) twenty-four (24) months from the date of such termination, or (ii) the number of months remaining in the balance of the initial three (3) year term.

11. Owner shall pay or reimburse Agent for any monies due it under this Agreement for services prior to termination, notwithstanding termination of this Agreement. All provisions of this Agreement that require Owner to have insured

or to defend, reimburse or indemnify Agent shall survive any termination, and, if Agent is or becomes involved in any proceeding or litigation by reason of having been Owner's Agent, such provisions shall apply as if this Agreement were still in effect.

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

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

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

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

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

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

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

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

The provisions of this Section shall survive the expiration and any termination of this Agreement.

Owner agrees to cause Agent to be named as an additional named insured on all liability and umbrella coverages maintained by owner with respect to the Property.

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

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

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

complete its obligations hereunder to the date of such cancellation. Agent shall cooperate with Owner to ensure a smooth and efficient transition to a new managing agent, including but not limited to, prompt delivery of files relating to the Property.

16. Agent agrees to release, indemnify, defend and save Owner harmless from and against all claims, disputes, losses, liabilities and suits (including but not limited to all attorneys' fees and litigation expenses and Owner's costs in connection therewith) in any way resulting from the gross negligence or willful malfeasance of Agent, or its employees (i) relating to or arising in connection with the Property and/or damage to property and injuries to or death of any employee, invitee or other person whomsoever, and/or Agent's performance of its duties hereunder; or (ii) relating to any proceeding or suit involving an alleged violation by Agent of any law applicable to the Property or operations thereof.

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, except for such other agreements referred to herein and the Eurohypo AG Cash Management Agreement. This Agreement may be modified only by a written agreement signed by the parties hereto.

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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, return receipt requested, 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 certified mail, return receipt requested, addressed as follows:

As to Owner:

Cedar-Franklin Village LLC
c/o Cedar Shopping Centers Partnership, L.P.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Attention: Brenda J. Walker

With a copy to:

Cedar-Franklin Village LLC
c/o Cedar Shopping Centers Partnership, L.P.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Attention: Stuart H. Widowski, Esq.

As to Agent:

LIST AGENT HERE Calarese Properties, Inc.
1000 Franklin Village Drive, Suite 301
Franklin, MA 02038
Attention: Roger V. Calarese, President

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17.8. This Agreement may not be assigned by Agent without the prior written consent of Owner, provided, however, that Owner consents to Agent's designating a subsidiary or affiliate of Agent to act on behalf of Agent

as leasing and rental agent for the Property. This Agreement shall be binding upon and benefit the parties hereto and their respective successors and permitted assigns.

18. [Intentionally Omitted.]

19. Agent acknowledges and agrees that an affiliate of Owner is subject to the requirements of the Sarbanes-Oxley Act of 2002 and, accordingly, Owner's standard operating procedures may differ from similarly situated owners of property not subject to such Act. Agent agrees that it shall comply with any requirements of the Act, to the extent Owner gives Agent notice thereof and instructions with respect thereto.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Property Management Agreement as of the day and year first set forth above.

AGENT

CALARESE PROPERTIES, INC.

By:

Name: Roger V. Calarese
Title: President

OWNER

CEDAR-FRANKLIN VILLAGE LLC

By:

Name: Brenda J. Walker
Title: Vice President

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EXHIBIT "A"

Year 1	5% of annual net fixed minimum rent
Years 2 & 3	4% of annual net fixed minimum rent
Year 4	3 % of annual net fixed minimum rent
Year 5	2% of annual net fixed minimum rent
Year 6 and beyond	2% of annual net rent for each and every year of the primary term. (nothing for option periods, for renewals or extensions of existing leases, or for expansions by existing tenants)

1. The following amounts shall be excluded or deducted, as the case may be, from the term "net aggregate fixed minimum rent":
 - (a) amounts which are above or in addition to the fixed rent, whether payable by Tenant as adjustments or otherwise, for realty taxes, cleaning costs, all other operating expense escalations or pass-throughs, percentage rentals (if any) and periodic adjustments in rentals whether based on Consumer Price Index or otherwise shall be excluded;
 - (b) amounts paid to Landlord by Tenant, or melded into Tenant's rental under the Lease, for work performed for Tenant in excess of Landlord's Work as specified in the Work Letter attached to the Lease shall be excluded;
 - (c) amounts added to or melded into Tenant's rental under the Lease to reimburse Landlord for Tenant's space in another Shopping Center which Landlord agrees to "take over" and credits allowed to Tenant against Lease rental for payments made by Tenant to its landlord(s) to satisfy, cancel or discharge leasehold obligations of Tenant. These payments shall be deducted as allowed or made against Tenant's rental under the Lease;
 - (d) amounts agreed to be paid by Landlord to landlords of Tenant to satisfy, cancel or discharge Tenant's obligations under its existing leases or agreements and losses incurred in assigning such leases or subletting such space. Such payments shall be deducted when paid and losses shall

be deducted when incurred;

- (e) amounts paid for additional cleaning, security and/or other services not commonly supplied to other tenants of the Shopping Center shall be excluded;
- (f) amounts paid by Tenant in connection with Tenant's option to cancel, if any, shall be excluded;
- (g) rent concessions, work letter allowances and rent allowances granted to Tenant shall be deducted.

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- 2. The Commission constitutes the maximum amount of commission or compensation that may become due and payable in connection with the proposed Lease with Tenant. No commission or other compensation shall be due or payable for any lease extension or lease renewal and no commission or other compensation shall be due or payable in the event Tenant leases any additional space in the Shopping Center.
- 3. If any Lease gives Tenant the right to cancel before its term commences and the Tenant exercises that right, if our first mortgagee does not approve the Lease to Tenant, and as a result the Lease term never commences, or if for any reason the Lease does not commence pursuant to its terms (other than by reason of our willful default under the Lease between us and the Tenant after due execution and delivery thereof) you shall not be entitled to receive any Commission or compensation whatsoever and you hereby waive any claim therefor. The initial payment of the Commission (if any is theretofore paid to you) may, however, be retained by you, but we shall have no further liability to you under this agreement.
- 4. The commission described above shall be earned by you only if (A) a written Lease is executed and unconditionally delivered by and between us and the Tenant within one (1) year of the date hereof and (B) the term of the Lease has commenced and (C) Tenant has assumed actual possession of the premises let to Tenant (or any permitted subtenant or assignee has taken possession) and (D) Landlord has received payment for the first month of Minimum Rent and (E) Tenant has opened for business to the public in accordance with the terms of the Lease.

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ASSIGNMENT OF MANAGEMENT AGREEMENT AND
SUBORDINATION OF MANAGEMENT FEES

THIS ASSIGNMENT OF MANAGEMENT AGREEMENT AND SUBORDINATION OF MANAGEMENT FEES (this "ASSIGNMENT") is made as of November 1, 2004, by CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company, having its principal place of business at c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050 ("BORROWER"), to EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation, having an address at 1114 Avenue of the Americas, Twenty-Ninth Floor, New York, New York 10036 ("LENDER"), and is consented and agreed to by CALARESE PROPERTIES, INC., a Massachusetts corporation, having its principal place of business at 1000 Franklin Village Drive, Franklin, Massachusetts 02038 ("MANAGER").

RECITALS:

A. Borrower by its Promissory Note of even date herewith given to Lender (together with all extensions, renewals, modifications, substitutions and amendments thereof, the "NOTE") is indebted to Lender in the principal sum of FORTY-THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$43,500,000.00) advanced pursuant to the Loan Agreement of even date herewith between Borrower and Lender (together with all extensions, renewals, modifications, substitutions and amendments thereof, the "LOAN AGREEMENT"), in lawful money of the United States of America, with interest from the date thereof at the rates set forth in the Note (the indebtedness evidenced by the Note, together with such interest accrued thereon, shall collectively be referred to as the "LOAN"), principal and interest to be payable in accordance with the terms and conditions provided in the Note.

B. The Loan is secured by, among other things, a Mortgage and Security Agreement (the "MORTGAGE"), dated as of the date hereof, which grants Lender a first lien on the property encumbered thereby (the "PROPERTY"). The Note, the Loan Agreement, the Mortgage, this Assignment and any of the other documents evidencing or securing the Loan are collectively referred to as the "LOAN DOCUMENTS".

C. Pursuant to a certain Management Agreement of even date herewith between Borrower and Manager (the "MANAGEMENT AGREEMENT") (a true, correct and complete copy of which Management Agreement is attached hereto as Exhibit A), Borrower employed Manager exclusively to rent, lease, operate and manage the Property and Manager is entitled to certain management fees (the "MANAGEMENT FEES") thereunder.

D. Lender requires as a condition to the making of the Loan that Borrower assign the Management Agreement and that Manager subordinate its interest in the Management Fees in lien and payment to the Mortgage as set forth below.

AGREEMENT

For good and valuable consideration the parties hereto agree as follows:

1. Assignment of Management Agreement. As additional collateral security for the Loan, Borrower hereby conditionally transfers, sets over and assigns to Lender all of Borrower's right, title and interest in and to the Management Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at Lender's option, upon the occurrence and during the continuance of an Event of Default under the Note, the Loan Agreement, the Mortgage or any of the other Loan Documents (each, an "EVENT OF DEFAULT").

2. Subordination of Management Fees. The Management Fees and the Management Agreement and all rights and privileges of Manager to the Management Fees or under the Management Agreement are hereby and shall at all times continue to be subject and unconditionally subordinate in all respects in lien and payment to the lien and payment of the Mortgage, the Note, the Loan Agreement and the other Loan Documents and to any renewals, extensions, modifications, assignments, replacements, or consolidations thereof and the rights, privileges, and powers of Lender thereunder.

3. Estoppel. Manager represents and warrants that (a) the Management Agreement is in full force and effect and has not been modified, amended or assigned other than pursuant to this Assignment and constitutes the entire agreement between Manager and Borrower with respect to management of the Property, (b) neither Manager nor Borrower is in default under any of the terms, covenants or provisions of the Management Agreement and Manager knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Management Agreement, (c) neither Manager nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Management Agreement, (d) the Management Fees and all other sums due and payable to the Manager under the Management Agreement have been paid in full and (e) that Manager is aware that the Leases and Rents

relating to the Property have been assigned collaterally to Lender pursuant to the Loan Documents. Manager and Borrower agree not to amend, modify, replace, substitute, cancel or terminate the Management Agreement without Lender's prior written consent.

4. Agreement by Borrower and Manager. Borrower and Manager hereby agree that upon the occurrence and during the continuance of an Event of Default during the term of this Assignment or upon the occurrence of any event which would entitle Lender to terminate the Management Agreement in accordance with the terms of the Loan Documents, Lender may terminate the Management Agreement and require Manager to transfer its responsibility for the management of the Property to a management company selected by Lender in Lender's reasonable discretion, effective as of the date set forth in Lender's notice to Manager. Following any such termination, Manager shall apply all rents, security deposits, issues, proceeds and profits of the Property in accordance with Lender's written directions to Manager. Any such termination of the Management Agreement by Lender hereunder (and any termination under Sections 5 or 6 hereof) shall, as between Borrower and Manager, be deemed a termination by Borrower under the Management Agreement, and Manager's rights with respect to Borrower shall be determined pursuant to the terms of the Management Agreement.

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5. Borrower's Right to Replace Manager. Borrower shall have the right to terminate the Management Agreement and enter into a new management agreement with the Approved Property Manager in accordance with Section 7.2 of the Loan Agreement.

6. Lender's Right to Replace Manager. In addition to the foregoing, in the event that Lender, in Lender's reasonable discretion, at any time during the term of this Assignment, determines that the Property is not being managed in accordance with generally accepted management practices for properties similar to the Property, Lender shall deliver written notice thereof to Borrower and Manager, which notice shall specify with particularity the grounds for Lender's determination. If Lender reasonably determines that the conditions specified in Lender's notice are not remedied to Lender's reasonable satisfaction by Borrower or Manager within thirty (30) days from receipt of such notice or that Borrower or Manager have failed to diligently undertake correcting such conditions within such thirty (30) day period, Lender may direct Borrower to terminate Manager as manager of the Property and terminate the Management Agreement and to replace Manager with a management company acceptable to Lender in Lender's sole discretion and in such an event, Manager acknowledges that Lender shall not be liable to Manager for any unpaid Management Fees which accrued prior to the date of such termination.

7. Receipt of Management Fees. Manager shall not be obligated to return or refund to Lender any Management Fees or other fee, commission or other amount received by Manager prior to the occurrence of the Event of Default, and to which Manager was entitled under the Management Agreement.

8. Consent and Agreement by Manager. Manager hereby acknowledges and consents to this Assignment and agrees that Manager will act in conformity with the provisions of this Assignment and Lender's rights hereunder or otherwise related to the Management Agreement. In the event that the responsibility for the management of the Property is transferred from Manager in accordance with the provisions hereof or otherwise, Manager shall fully cooperate in transferring its responsibility to a new management company and effectuate such transfer no later than thirty (30) days from the date the Management Agreement is terminated. Further, Manager shall (a) not contest or impede the exercise by Lender of any right it has under or in connection with this Assignment; (b) in the manner provided for in this Assignment, give at least thirty (30) days prior written notice to Lender of its intention to terminate the Management Agreement or otherwise discontinue its management of the Property and (c) not amend any of the provisions or terms of the Management Agreement without the prior consent of Lender.

9. Termination. At such time as the Loan is paid in full and the Mortgage is released of record, this Assignment and all of Lender's right, title and interest hereunder with respect to the Management Agreement shall terminate.

10. Notices. All notices or other communications hereunder shall be in writing and shall be given in accordance with Section 11.6 of the Loan Agreement. Any notice or other communication to Manager shall be addressed as follows (or at such other address and person as shall be designated by Manager from time to time):

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If to Manager: Calarese Properties, Inc.
100 Franklin Village Drive
Franklin, Massachusetts 02038

11. No Oral Change. This Assignment, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower, Lender or Manager, but

only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

12. Liability. This Assignment shall be binding upon and inure to the benefit of Borrower, Manager and Lender and their respective successors and assigns forever.

13. Inapplicable Provisions. If any term, covenant or condition of this Assignment is held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

14. Governing Law. This Assignment shall be governed, construed, applied and enforced in accordance with the laws of the State of New York and the applicable laws of the United States of America.

15. Headings, etc. The headings and captions of various paragraphs of this Assignment 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. Duplicate Originals, Counterparts. This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Assignment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Assignment. The failure of any party hereto to execute this Assignment, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

17. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

18. Secondary Market. Lender may sell, transfer and deliver the Note and assign the Mortgage, this Assignment and the other Loan Documents to one or more investors in the secondary mortgage market ("INVESTORS"). In connection with such sale or at any time prior to such sale, and from time to time, Lender may retain or assign responsibility for servicing the Loan, including the Note, the Mortgage, this Assignment and the other Loan Documents, or may delegate some or all of such responsibility and/or obligations to a servicer including, but not limited to, any subservicer or master servicer, on behalf of the Investors. All references to Lender herein shall refer to and include any such servicer to the extent applicable.

19. Further Assurances. Manager and Borrower shall, at Borrower's sole cost and expense: (a) execute and deliver to Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the Lender's rights

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hereunder, as Lender may reasonably require; and (b) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of this Assignment, as Lender shall reasonably require from time to time.

20. Miscellaneous. (a) Wherever pursuant to this Assignment (i) Lender exercises any right given to it to approve or disapprove, (ii) any arrangement or term is to be satisfactory to Lender, or (iii) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Assignment it is provided that Borrower shall pay any costs and expenses, such costs and expenses shall include, but not be limited to, legal fees and disbursements of Lender actually incurred, whether retained firms, the reimbursement for the expenses of in-house staff or otherwise.

[NO FURTHER TEXT ON THIS PAGE]

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

BORROWER:

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: Cedar-Franklin Village 2 LLC, a Delaware
limited liability company, its sole member

By: Cedar Shopping Centers Partnership,
L.P., a Delaware limited partnership,
its sole member

By: Cedar Shopping Centers, Inc., a
Maryland corporation, its
general partner

By: _____
Name: Brenda J. Walker
Title: Vice President

LENDER:

EUROHYPO AG, NEW YORK BRANCH, the New York branch
of a German banking corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

MANAGER:

a _____

By: _____
Name:
Title:

EXHIBIT A
MANAGEMENT AGREEMENT

INDEPENDENT DIRECTOR'S CONTRACT

THIS AGREEMENT (The "Agreement") is made as of the ___ day of October 2004 and is by and between Cedar-Franklin Village LLC, a Delaware limited liability company (hereinafter referred to as "Company") and Suzanne M. Hay (hereinafter referred to as "Director").

BACKGROUND

Company desires to retain Director for the duties of Independent Director and Director desires to be retained for such position and to perform the duties required of such position in accordance with the terms and conditions of this Agreement.

AGREEMENT

In consideration for the above recited promises and the mutual promises contained herein, the adequacy and sufficiency of which are hereby acknowledged, Company and Director hereby agree as follows:

1. DUTIES. The Company hereby requires that the Director is available to perform such duties as Independent Director as may be determined and assigned by the Board of Directors of the Company and the Company's Limited Liability Company Agreement. Director agrees to devote as much time as is necessary to perform completely the duties as Independent Director of the Company.

2. TERM. Except in the case of early termination, as hereinafter specifically provided, the term of this Agreement shall commence as of October __, 2004 and shall continue for an indefinite period.

3. COMPENSATION. For all services to be rendered by Director in any capacity hereunder, the Company agrees to pay Director a base fee of \$1,500 per year payable in advance. The initial year's Base fee is considered earned when paid and is nonrefundable. The initial year's payment of \$1,500 is due upon execution of this Agreement; thereafter, payment shall be due on or before October 1st of each succeeding year. Such fee may be adjusted from time to time as agreed by the parties. Director attendance at any meetings outside of the greater Wilmington area will be compensated at a mutually agreed upon rate.

Company agrees to increase the base fee in the event of an increase in the cost of living. Such increase shall occur on October 1st, beginning October 1, 2009 and then October 1st of each succeeding year. The base fee set forth in paragraph 3, as adjusted by previous cost of living adjustments, will be increased by the percentage by which the U.S. Consumer Price Index, All Urban Consumers (CPI-U), All Items, has increased since the previous anniversary or escalation date.

4. EXPENSES. In addition to the compensation provided in paragraph 3 hereof, the Company will reimburse Director for pre-approved reasonable business related expenses incurred in good faith in the performance of Director's duties for the Company. Such payments shall be made by the Company upon submission by the Director of a signed statement itemizing the expenses incurred. Such statement shall be accompanied by sufficient documentary matter to support the expenditures.

5. CONFIDENTIALITY. The Company and Director each acknowledge that, in order for the intents and purposes of this Agreement to be accomplished, Director shall necessarily be obtaining access to certain confidential information concerning the Company and its affairs, including, but not limited to business methods, information systems, financial data and strategic plans which are unique assets of the Company ("Confidential Information"). Director covenants not to, either directly or indirectly, in any manner, utilize or disclose to any person, firm, corporation, association or other entity any Confidential Information.

6. NOTICE OF MATERIAL ADVERSE CHANGE IN FINANCIAL CONDITION OF THE COMPANY. The Company shall notify Director in writing, at the earliest practicable time, of any material adverse change in the financial condition of the Company.

7. TERMINATION. With or without cause, the Company and Director may each terminate this Agreement at any time upon ten (10) days written notice, and the Company shall be obligated to pay to Director the compensation and expenses due up to the date of the termination. If termination occurs prior to October 1st of any year after the first year of this agreement, the Company shall be entitled to receive, upon written request by the Company, a prorated refund of the portion of the base fee that relates to the period after the termination date. Such written request must be submitted within ninety (90) days of the

termination date. Nothing contained herein or omitted herefrom shall prevent the member(s) of the Company from removing Director with immediate effect at any time for any reason.

8. INDEMNIFICATION. The Company shall indemnify, defend and hold harmless Director, to the full extent allowed by the law of the State of Delaware, and as provided by, or granted pursuant to, any charter provision, operating agreement provision, agreement (including, without limitation, the Indemnification Agreement executed herewith), vote of members or disinterested managers or otherwise, both as to action in Director's official capacity and as to action in another capacity while holding such office, to the extent such other action and capacity are required by the Board of Directors of the Company or by the Company's Limited Liability Company Agreement.

9. EFFECT OF WAIVER. The waiver by either party of the breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof.

10. NOTICE. Any and all notices referred to herein shall be sufficient if furnished in writing at the following addresses:

To the Company: Cedar-Franklin Village LLC
c/o Cedar Shopping Centers Partnership, L.P.
44 South Bayles Avenue
Port Washington, NY 11050
Attn: Brenda J. Walker

With copy to: Cedar Shopping Centers Partnership, L.P.
44 South Bayles Avenue
Port Washington, NY 11050
Attn: Stuart H. Widowski, Esq.

To Director: Suzanne M. Hay
Entity Services (SPV), LLC
103 Foulk Road, Suite 200
Wilmington, DE 19803

11. ARBITRATION. Any dispute or claim arising out of, or relating to, this Agreement or any breach thereof, with the sole exception of any dispute or claim arising out of, or relating to, indemnification and advancement rights of Director, shall be submitted to binding arbitration which shall take place at Wilmington, Delaware, in accordance with the Rules of the American Arbitration Association; and judgment upon the award rendered may be entered in any court having jurisdiction over the dispute. The agreement to arbitrate herein recited is based upon mutual consideration exchanged between the parties hereto, and is irrevocable. The award of the arbitrators shall be rendered by majority agreement and shall constitute a final resolution of the dispute or claim on questions of both law and fact pertaining to the dispute or claim submitted hereunder.

12. GOVERNING LAW. This Agreement shall be interpreted in accordance with, and the rights of the parties hereto shall be determined by, the laws of the State of Delaware without reference to that state's conflicts of laws principles.

13. ASSIGNMENT. The rights and benefits of the Company under this Agreement shall be transferable, and all the covenants and agreements hereunder shall inure to the benefit of, and be enforceable by or against, its successors and assigns. The duties and obligations of the Director under this Agreement are personal and therefore Director may not assign any right or duty under this Agreement without the prior written consent of the Company.

14. MISCELLANEOUS. (a) If any provision of this Agreement shall be declared invalid or illegal, for any reason whatsoever, then, notwithstanding such invalidity or illegality, the remaining terms and provisions of the within Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provision had not been contained herein; (b) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, administrators, successors and assigns.

15. ARTICLE HEADINGS. The article headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

16. COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Independent Director's Contract to be duly executed and signed as of the day and year first

above written.

Cedar-Franklin Village LLC

BY:

Name: -----

Title: -----

INDEPENDENT DIRECTOR

BY:

Suzanne M. Hay

INDEMNIFICATION AGREEMENT

This Agreement is made as of the ___ day of October 2004, by and between Cedar-Franklin Village LLC ("Indemnitors") and Suzanne M. Hay (Indemnitee").

DEFINITIONS

Company Cedar-Franklin Village LLC

Expenses

All expenses, including reasonable attorneys' fees and experts' fees, incurred in defense of or as a witness in a civil or criminal action, suit or proceeding (including an action by or in respect of the Company) and including investigations by any government agency. Expenses include all costs and charges incurred in preparation for any threatened action, suit or proceeding, and appeals therefrom.

Losses

Damages, judgments, fines, penalties and amounts paid in settlement incurred by Indemnitee in defending any civil or criminal action, suit or proceeding, including investigations by any government agency.

Asserted Liability

Any demand, claim or circumstance, which would give rise to a claim or the commencement (or the threatened commencement) of any action, proceeding or investigation that may result in Losses which are subject to indemnification hereunder.

AGREEMENT

Indemnitors wish Indemnitee to serve as an Independent Director of the Company and have requested that Indemnitee do so, and Indemnitee has agreed to serve in such capacity under certain circumstances. In order to induce Indemnitee to serve as an Independent Director and in consideration of Indemnitee's service in such capacity, Indemnitors hereby agree to indemnify Indemnitee as follows:

1. Indemnification.

- (a) Indemnitors shall pay on behalf of Indemnitee and his/her estate, heirs, legal representatives or assigns any amount which Indemnitee becomes legally obligated to pay on account of (i) any claim(s) made against him/her for any error, misstatement or misleading statement, act or omission, or neglect or breach of duty committed, attempted or allegedly

committed or attempted by Indemnitee in the discharge of his/her duties in his/her capacity of Independent Director or (ii) any matter claimed against him/her by reason of his/her serving in such capacity (including an action by or in the right of the Company); provided that Indemnitor shall have no obligation to indemnify Indemnitee to the extent of loss arising from the willful misconduct, gross negligence or self-dealing of the Indemnitee. The payments which Indemnitor shall be obligated to make hereunder shall include, but not be limited to, Expenses and Losses, so long as Indemnitee is otherwise entitled to be indemnified hereunder in respect of losses, action, suit or proceeding.

- (b) Promptly after receipt by Indemnitee of notice of any Asserted Liability that may result in losses, which are subject to indemnification hereunder, Indemnitee shall give notice thereof to Indemnitor.
2. Advance of Expenses. Expenses shall be promptly paid by Indemnitor in advance of the final disposition of any action upon receipt of an unsecured commitment by Indemnitee to repay amounts so advanced if it shall ultimately and finally be determined that Indemnitee is not entitled to be indemnified pursuant to this Agreement. In a suit brought by Indemnitee to enforce a right to advances, it shall not be a defense that he/she has not met the applicable standard of conduct set forth in Delaware law with regard to indemnification.
 3. Enforcement. If a claim under this Agreement is not paid promptly by Indemnitor, the Indemnitee may bring suit against Indemnitor to recover the unpaid amount of the claim and, if successful, in whole or in part, the Indemnitee shall be entitled to be paid also the expense of prosecuting such claim (including reasonable attorney's fees and other expenses).
 4. Subrogation. In the event of payment under this Agreement, Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee.
 5. Reimbursement. If it is ultimately and finally determined that Indemnitee would not be permitted to be indemnified under the terms of this Agreement or applicable law, Indemnitor shall be entitled to be reimbursed by Indemnitee for all amounts advanced or paid; provided that any obligation to reimburse Indemnitor shall be deferred until the conclusion of any legal proceedings to determine whether such reimbursement is legally required.
 6. Effectiveness. All agreements and obligations of Indemnitor contained herein shall continue during the period Indemnitee is an Independent Director of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative, by reason of the fact that Indemnitee was a Independent Director of the Company.
 7. Successors. This Agreement shall be binding upon all successors-in-interest to Indemnitor and shall inure to the benefit of the heirs, personal representatives and estate of Indemnitee.
 8. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby, and shall be construed so as to give effect to the intent of the parties that Indemnitor provide protection to Indemnitee to the fullest enforceable extent.
 9. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one instrument.
 10. Other Rights. The rights of the Indemnitee hereunder shall be in addition to, and not in limitation of (or in any way limited by) any other rights the Indemnitee may have under the certificate of formation or operating agreement or any other agreement, under the appropriate corporate law, or otherwise, it being understood that the rights set forth hereunder may be enhanced but in no event shall be diminished in any way.
 11. Governing Law. This Agreement shall be governed by and construed in accordance with Delaware law, but without reference to the conflicts of laws principles of that jurisdiction.

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

Cedar-Franklin Village LLC

By:

Name:

Title:

Suzanne M. Hay

BILL OF SALE AND GENERAL ASSIGNMENT

THIS BILL OF SALE AND GENERAL ASSIGNMENT (this "Assignment") is executed as of the 1st day of November, 2004, by and between Roger V. Calarese and A. Richard Calarese, as Trustees of Franklin Village Trust, a Massachusetts nominee trust (the "Assignor"), having an office at 1000 Franklin Village Drive, Franklin, Massachusetts 02038 and Cedar-Franklin Village LLC, a Delaware limited liability company ("Assignee"), having an office c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Port Washington, New York 11050.

WHEREAS, Assignee is this day purchasing from Assignor and Assignor is conveying to Assignee the Property (as such term is described in that certain Agreement of Purchase and Sale dated as of August 2, 2004, between Assignor and Assignee (the "Purchase and Sale Agreement")).

WHEREAS, Assignor desires to assign, transfer, setover and deliver to Assignee all of Assignor's rights, in and for all furnishings, fixtures, fittings, appliances, apparatus, equipment, machinery and other items of personal property, affixed or attached to, or placed or situated upon, the Property (including, without limitation, the items set forth on Exhibit A attached hereto and made a part hereof), and the following incidental rights and appurtenances relating thereto (collectively, the "Assigned Properties"):

- A. All of Assignor's right, title and interest in and to all use, occupancy, building and operating permits, licenses, approvals, documents, instruments, if any, issued from time to time with respect to the Property or the Assigned Properties and all easements, rights-of-way, privileges, appurtenances and other rights (including without limitation, mineral and development rights with respect to the Property);
- B. All of Assignor's rights, title and interest in and to all existing and assignable guaranties and warranties (express or implied), if any, issued in connection with the construction, alteration and repair of the Property and/or the purchase, installation and the repair of the Assigned Properties; and
- C. All copyrights, trademarks, service marks and other marks and trade or business names relating to ownership, use and operation of the Property.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. Assignor hereby assigns, transfers, sets over and delivers to Assignee, its successors and assigns, all of Assignor's right, title and interest, if any, in and to the Assigned Properties.
- 2. The terms and provisions of this Assignment shall be binding upon and inure to the benefit of the respective parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be duly executed as of the day and year first written above.

ASSIGNOR:

FRANKLIN VILLAGE TRUST, a
Massachusetts nominee trust

By: /s/ Roger V. Calarese

Name: Roger V. Calarese
Title: Trustee

By: /s/ A. Richard Calarese

Name: A. Richard Calarese
Title: Trustee

EXHIBIT A

PERSONAL PROPERTY

Inventory of paper products (paper towels, toilet paper, etc.)

Inventory of ice melt, trash liners, irrigation parts

Inventory of replacement parts for sprinkler system

Inventory of nails and screws

Inventory of chemicals for water cooling tower

Inventory of cleaning supplies

Inventory of light bulbs for interior and parking areas

Parking lot striper

Cast iron grates for tree planting

Banners and holiday decorations

LOAN AGREEMENT

Dated as of November 1, 2004

Between

CEDAR-FRANKLIN VILLAGE LLC,

as Borrower

and

EUROHYPO AG, NEW YORK BRANCH,

as Lender

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LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of November 1, 2004 (as amended, restated, replaced, supplemented or otherwise modified from time to time, this "AGREEMENT"), between EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation, having an address at 1114 Avenue of the Americas, Twenty-Ninth Floor, New York, New York 10036 (together with its permitted successors and assigns, "LENDER"), and CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company, having an address at c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050 (together with its permitted successors and assigns "BORROWER").

All other capitalized terms used herein shall have the

respective meanings set forth in Article I hereof.

W I T N E S S E T H:

WHEREAS, Borrower desires to obtain the Loan from Lender; and

WHEREAS, Lender is willing to make the Loan to Borrower, subject to and in accordance with the conditions and terms of this Agreement and the other Loan Documents.

NOW, THEREFORE, in consideration of the covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, represent and warrant as follows:

I. DEFINITIONS; PRINCIPLES OF CONSTRUCTION

SECTION 1.1 DEFINITIONS.

For all purposes of this Agreement, except as otherwise expressly provided:

"ACCESS LAWS" shall have the meaning set forth in Section 4.1.18.

"ADDITIONAL COLLATERAL" shall mean U.S. Obligations, that provide payments on a portion of the Loan in the principal amount of \$3,200,000 which are (i) paid on or prior to, but as close as possible to, the Business Day immediately preceding all Monthly Payment Dates and other scheduled payment dates, hereunder and (ii) in amounts equal to the scheduled payments of interest up to and including the Permitted Repayment Date (including, the payment of principal in the amount of \$3,200,000.00 on the Permitted Repayment Date), and all other payments, if any, required, under the Loan Documents for servicing fees, and other similar charges.

"ACCOUNTS" shall have the meaning set forth in Section 3.1.35(a).

"ACQUIRED PROPERTY STATEMENTS" shall have the meaning set forth in Section 9.1(c)(i).

"AFFILIATE" shall mean, as to any Person, any other Person that, directly or indirectly, owns more than forty percent (40%) of, is in control of, is controlled by or is under common ownership or control with such Person or is a director or officer of such Person or of an Affiliate of such Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise.

"AFFILIATED MANAGER" shall mean any managing agent in which Borrower, Borrower Principal, any SPC Party (if any) or any Affiliate of such Persons has, directly or indirectly, any legal, beneficial or economic interest.

"AGENT" shall mean PNC Bank, National Association and any successor Eligible Institution thereto.

"ALLOCATED LOAN AMOUNT" shall mean with respect to the release of the Release Parcel pursuant to Section 2.5.2, \$4,785,000.

"ALTA" shall mean American Land Title Association, or any successor thereto.

"ALTERATION THRESHOLD" shall mean an amount equal to five percent (5%) of the original principal amount of the Loan.

"ANNUAL BUDGET" shall mean the operating and capital budget for the Property setting forth Borrower's good faith estimate of Gross Income from Operations, Operating Expenses, and Capital Expenditures for the applicable Fiscal Year.

"APPROVED PROPERTY MANAGER" shall mean (i) Cedar Shopping Centers Partnership L.P. , a Delaware limited partnership, for so long as that entity is an Affiliate or sole member of Borrower and controlled by Cedar Shopping Centers, Inc., a Maryland corporation or (ii) a reputable and experienced management organization possessing experience in managing properties similar in size, scope and value to the Property, provided that with respect to an Approved Property Manager under clause (ii), (A) prior to a Securitization, Borrower shall have obtained the prior written consent of Lender for such entity, which consent shall not be unreasonably withheld and (B) after a

Securitization, Borrower shall have obtained prior written confirmation from the Rating Agencies that management of the Property by such entity will not, in and of itself, cause a downgrade, withdrawal or qualification of the then current ratings of the Securities issued pursuant to the Securitization.

"ASSIGNMENT OF LEASES" shall mean that certain first priority Assignment of Leases and Rents, dated as of the date hereof, from Borrower, as assignor, to Lender, as assignee, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"ASSIGNMENT OF MANAGEMENT AGREEMENT" shall mean that certain Assignment of Management Agreement and Subordination of Management Fees dated the date hereof among Borrower, Manager and Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

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"AWARD" shall mean any compensation paid by any Governmental Authority in connection with a Condemnation in respect of all or any part of the Property.

"BANKRUPTCY CODE" shall mean Title 11 of the United States Code entitled "Bankruptcy", as amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, and any comparable foreign laws relating to bankruptcy, insolvency or creditors' rights.

"BASIC CARRYING COSTS" shall mean the sum of the following costs associated with the Property for the relevant Fiscal Year or payment period: (i) Taxes and (ii) Insurance Premiums.

"BORROWER PRINCIPAL" shall mean Cedar Shopping Centers Partnership, L.P.

"BUSINESS DAY" shall mean any day other than a Saturday, a Sunday or a legal holiday on which national banks are not open for general business in (i) the State of New York, (ii) the state where the corporate trust office of the Trustee is located, or (iii) the state where the servicing offices of the Servicer are located.

"CAPITAL EXPENDITURES" for any period shall mean amounts expended for replacements and alterations to the Property and required to be capitalized according to GAAP.

"CAPITAL EXPENDITURE FUNDS" shall have the meaning set forth in Section 6.4.1.

"CAPITAL EXPENDITURES WORK" shall mean any labor performed or materials installed in connection with any Capital Expenditure.

"CASH MANAGEMENT AGREEMENT" shall mean that certain Cash Management Agreement of even date herewith among Lender, Borrower, Manager and Agent.

"CASUALTY" shall mean the occurrence of any casualty, damage or injury, by fire or otherwise, to the Property or any part thereof.

"CASUALTY CONSULTANT" shall have the meaning set forth in Section 5.3.2(c).

"CASUALTY RETAINAGE" shall have the meaning set forth in Section 5.3.2(d).

"CLOSING DATE" shall mean the date of funding the Loan.

"CODE" shall mean the Internal Revenue Code of 1986, as amended, and as it may be further amended from time to time, any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

"CONDEMNATION" shall mean a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof.

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"CONTROL" shall mean the power to direct the management and policies of a Restricted Party, directly or indirectly, whether

through the ownership of voting securities or other beneficial interests, by contract or otherwise.

"DEBT" shall mean the outstanding principal amount of the Loan together with all interest accrued and unpaid thereon and all other sums (including the Yield Maintenance Premium) due to Lender in respect of the Loan under the Note, this Agreement, the Mortgage, the Environmental Indemnity or any other Loan Document.

"DEBT SERVICE" shall mean, with respect to any particular period of time, scheduled interest payments under the Note.

"DEBT SERVICE COVERAGE RATIO" shall mean a ratio for the applicable period in which:

(i) the numerator is the Net Cash Flow for such period as set forth in the financial statements required in accordance with this Agreement; and

(ii) the denominator is the Debt Service due for such period.

"DEFAULT" shall mean the occurrence of any event hereunder or under any other Loan Document which, but for the giving of notice or passage of time, or both, would be an Event of Default.

"DEFAULT RATE" shall mean, with respect to the Loan, a rate per annum equal to the lesser of (i) the maximum rate permitted by applicable law, or (ii) five percent (5%) above the Interest Rate.

"DEFEASANCE COLLATERAL" shall mean the Total Defeasance Collateral or the Partial Defeasance Collateral, as the case may be.

"DEFEASANCE COLLATERAL ACCOUNT" shall have the meaning set forth in Section 2.5.3.

"DEFEASANCE DATE" shall mean the Total Defeasance Date or the Partial Defeasance Date, as the case may be.

"DEFEASANCE EVENT" shall mean a Total Defeasance Event or a Partial Defeasance Event, as the case may be.

"DEFEASED NOTE" shall have the meaning set forth in Section 2.5.2(a) (iv) hereof.

"DISCLOSURE DOCUMENT" shall have the meaning set forth in Section 9.2(a).

"DISCLOSURE DOCUMENT DATE" shall have the meaning set forth in Section 9.1(c) (iv).

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"ELIGIBLE ACCOUNT" shall mean a separate and identifiable account from all other funds held by the holding institution that is either (i) an account or accounts maintained with a federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution or (ii) a segregated trust account or accounts maintained with a federal or state chartered depository institution or trust company acting in its fiduciary capacity which, in the case of a state chartered depository institution or trust company is subject to regulations substantially similar to 12 C.F.R. ss.9.10(b), having in either case a combined capital and surplus of at least \$50,000,000.00 and subject to supervision or examination by federal and state authority. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"ELIGIBLE INSTITUTION" shall mean a depository institution or trust company insured by the Federal Deposit Insurance Corporation the short term unsecured debt obligations or commercial paper of which are rated at least A-1 by S&P and having at least the equivalent rating from one of the two other Rating Agencies in the case of accounts in which funds are held for thirty (30) days or less or, in the case of Letters of Credit or accounts in which funds are held for more than thirty (30) days, the long term unsecured debt obligations of which are rated at least "AA" by Fitch and S&P and "Aa2" by Moody's.

"ENVIRONMENTAL INDEMNITY" shall mean that certain Environmental Indemnity Agreement, dated as of the date hereof, executed by Borrower and Guarantor in connection with the Loan for the benefit of Lender.

"EQUIPMENT" shall have the meaning set forth in the granting clause of the Mortgage.

"ERISA" shall have the meaning set forth in Section 4.2.7.

10.1. "EVENT OF DEFAULT" shall have the meaning set forth in Section

9.2(a). "EXCHANGE ACT" shall have the meaning set forth in Section

Section 9.1(c) (vii). "EXCHANGE ACT FILING" shall have the meaning set forth in

definition of "Prohibited Person".

"EXXON REMEDIATION" shall mean those certain remediation efforts at the Property made or to be made by Exxon Mobil in connection with a petroleum release from an underground storage tank located on the Property, which remediation efforts include that certain Phase III Remedial Action Plan and that certain Phase VI Remedy Implementation Plan developed by Groundwater & Environmental Services, Inc. in accordance with Environmental Law as enforced by the New Jersey Department of Environmental Protection.

"FISCAL YEAR" shall mean each twelve month period commencing on January 1 and ending on December 31 during each year of the term of the Loan.

"FITCH" shall mean Fitch, Inc. and its successors.

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"GAAP" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession.

"GOVERNMENTAL AUTHORITY" shall mean any court, board, agency, commission, office or authority of any nature whatsoever or any governmental unit (federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

"GROSS INCOME FROM OPERATIONS" shall mean, for any period, all income, computed in accordance with GAAP, derived from the ownership and operation of the Property from whatever source during such period, including, but not limited to, Rents, utility charges, escalations, forfeited security deposits, interest on credit accounts, service fees or charges, license fees, parking fees, rent concessions or credits, and other pass-through or reimbursements paid by tenants under the Leases of any nature but excluding Rents from month-to-month tenants or tenants that are debtors in any proceeding under the Bankruptcy Code, sales, use and occupancy or other taxes on receipts required to be accounted for by Borrower to any Governmental Authority, refunds and uncollectible accounts, sales of furniture, fixtures and equipment, Net Proceeds (other than business interruption or other loss of income insurance), and any disbursements to Borrower from the Tax Funds, Insurance Funds, the Capital Expenditure Funds, the Rollover Funds, or any other escrow fund established by the Loan Documents.

"GUARANTIES" shall have the meaning set forth in Section 8.3 hereof.

"GUARANTOR" shall mean Cedar Shopping Centers Partnership, L.P.

"GUARANTY" shall mean that certain Guaranty of even date herewith from Guarantor for the benefit of Lender.

"IMPROVEMENTS" shall have the meaning set forth in the granting clause of the Mortgage.

"INDEBTEDNESS" shall mean, for any Person, without duplication: (i) 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, (ii) 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 thereunder, (iii) 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, (iv) all indebtedness guaranteed by such Person, directly or indirectly, (v) all obligations under leases that constitute capital leases for which such Person is liable, and (vi) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest 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.

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"I&G FUNDS" shall mean the constituent entities (and their wholly owned subsidiaries) from time to time of the fund marketed as the "J.P. Morgan U.S. Real Estate Income and Growth Fund," of which JPMorgan Investment Management Inc. (or JPMorgan Chase Bank, or any of their affiliates) and/or their successors and assigns is the investment advisor and, as of the date hereof includes, without limitation, JPM I&G Domestic REIT, Inc., J.P. Morgan U.S. Real Estate Income and Growth Direct, LP, J.P. Morgan U.S. Real Estate Income and Growth Corp. (Cayman), J.P. Morgan U.S. Real Estate Income and Growth Finance Corp (Cayman), J.P. Morgan U.S. Real Estate Income and Growth Investment Corp (Cayman), J.P. Morgan U.S. Real Estate Income and Growth GmbH & Co. KG, and J.P. Morgan U.S. Real Estate and Growth Domestic, LP.

"INDEMNIFIED LIABILITIES" shall have the meaning set forth in Section 11.13(b).

"INDEPENDENT DIRECTOR" shall have the meaning set forth in Section 3.1.24(p).

"INTEREST RATE" shall mean a rate per annum equal to four and eighty-one hundredths percent (4.81%).

"INSOLVENCY OPINION" shall mean that certain bankruptcy non-consolidation opinion letter, dated the date hereof, rendered by Lavenfeld Pearlstein, LLC in connection with the Loan.

"INSURANCE FUNDS" shall have the meaning set forth in Section 6.3.1.

"INSURANCE PREMIUMS" shall have the meaning set forth in Section 5.1.1(b).

"LEASE" shall mean any lease, sublease or subsublease, letting, license, concession or other agreement (whether written or oral and whether now or hereafter in effect) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of any space in the Property, and every modification, amendment or other agreement relating to such lease, sublease, subsublease, or other agreement entered into in connection with such lease, sublease, subsublease, or other agreement and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto.

"LEGAL REQUIREMENTS" shall mean all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting Borrower or the Property or any part thereof or the construction, use, alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, including, without limitation, the Americans with Disabilities Act of 1990, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Borrower, at any time in force affecting the Property or any part thereof, including, without limitation, any which may (i) require repairs, modifications or alterations in or to the Property or any part thereof, or (ii) in any way limit the use and enjoyment thereof.

"LENDER GROUP" shall have the meaning set forth in Section 9.2(b).

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"LENDER INDEMNITEES" shall have the meaning set forth in Section 11.13(b).

"LIABILITIES" shall have the meaning set forth in Section 9.2(b).

"LIEN" shall mean any mortgage, deed of trust, lien, pledge, hypothecation, assignment, security interest, or any other encumbrance or charge, on or affecting the Property or any portion thereof or Borrower, or any interest therein, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances.

"LOAN" shall mean the loan in the original principal amount of Forty-Three Million Five Hundred Thousand and No/100 Dollars (\$43,500,000.00) made by Lender to Borrower pursuant to this Agreement evidenced by the Note and secured by the Mortgage, together with all sums due or to become due thereunder.

"LOAN DOCUMENTS" shall mean, collectively, this Agreement, the Note, the Mortgage, the Assignment of Leases, the Cash Management Agreement, the Environmental Indemnity, the Guaranty, the Supplemental Guaranty, the Assignment of Management Agreement as well as all other documents now or hereafter executed and/or delivered in connection with the Loan.

"LOAN TO VALUE RATIO" shall mean the ratio, as of a particular date, in which the numerator is equal to the outstanding principal balance of the Debt and the denominator is equal to the appraised value of the Property based on a FIRREA-conforming appraisal in form and substance satisfactory to Lender, as determined by Lender in its sole and absolute discretion.

"MAJOR LEASE" shall mean any Lease covering 10,000 square feet or more at the Property, provided that the calculations set forth in this definition of Major Lease shall be made based on the aggregate square footage leased, by any single Tenant and/or Affiliate of such Tenant, whether pursuant to a single Lease or otherwise.

"MANAGEMENT AGREEMENT" shall mean that certain management agreement entered into by and between Borrower and the Manager, pursuant to which the Manager is to provide management and other services with respect to the Property.

"MANAGER" shall mean Calarese Properties, Inc., a Massachusetts corporation, or any other manager approved in accordance with the terms and conditions of the Loan Documents.

"MATERIAL ADVERSE EFFECT" shall mean any material adverse effect upon (i) the business operations, economic performance, assets, financial condition, equity, contingent liabilities, prospects, material agreements or results of operations of Borrower, Guarantor or the Property, (ii) the ability of Borrower or Guarantor to perform, in all material respects, its obligations under each of the Loan Documents, (iii) the enforceability or validity of any Loan Document, the perfection or priority of any Lien created under any Loan Document or the remedies of the Lender under any Loan Document or (iv) the value of, or cash flow from the Property or the operations thereof.

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"MATERIAL AGREEMENTS" shall mean each contract and agreement relating to the ownership, management, development, use, operation, leasing, maintenance, repair or improvement of the Property, other than the Management Agreement and the Leases or other contract and/or agreement that is material to the use and operation of the Property or to Borrower.

"MATURITY DATE" shall mean November 1, 2011 or such other date on which the final payment of principal of the Note becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.

"MAXIMUM LEGAL RATE" shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or the other Loan Documents, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Loan.

"MINIMUM DISBURSEMENT AMOUNT" shall mean Twenty-Five Thousand and No/100 Dollars (\$25,000.00).

"MONTHLY DEBT SERVICE PAYMENT AMOUNT" shall mean an amount equal to the interest on the outstanding principal balance of the Loan that accrues at the Interest Rate during each calendar month during the term of the Loan, calculated in the manner set forth herein.

"MONTHLY PAYMENT DATE" shall mean the first (1st) day of every calendar month occurring during the term of the Loan, provided, however, that Lender shall have the right at any time prior to Securitization of the Loan to change the Monthly Payment Date to any other day (or such other day of a calendar month selected by Lender, in its sole and absolute discretion, to collect debt service payments under loans which it makes and securitizes) upon notice to Borrower (in which event such change shall then be deemed effective) and, if requested by Lender, Borrower shall promptly execute an amendment to this Agreement to evidence such change, at no cost to Borrower (except that Borrower shall pay its own legal fees).

"MOODY'S" shall mean Moody's Investors Service, Inc.

"MORTGAGE" shall mean that certain first priority Mortgage and Security Agreement, dated the date hereof, executed and delivered by Borrower as security for the Loan and encumbering the Property, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"NET CASH FLOW" shall mean, for any period, the amount obtained by subtracting Operating Expenses for such period from Gross Income from Operations for such period.

"NET PROCEEDS" shall mean: (i) the net amount of all insurance proceeds payable as a result of a Casualty to the Property, after deduction of reasonable costs and expenses (including, but not limited to, reasonable attorneys' fees), if any, in collecting such insurance proceeds, or (ii) the net amount of the Award, after deduction of reasonable costs and expenses (including, but not limited to, reasonable attorneys' fees), if any, in collecting such Award.

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"NET PROCEEDS DEFICIENCY" shall have the meaning set forth in Section 5.3.2(f).

"NOTE" shall have the meaning set forth in Section 2.1.3.

"NOTICE" shall have the meaning set forth in Section 11.6.

"OFFICER'S CERTIFICATE" shall mean a certificate delivered to Lender by Borrower which is signed by an authorized senior officer of Borrower.

"OPERATING AGREEMENTS" shall mean any material covenants, restrictions or agreements of record relating to the construction, operation or use of the Property.

"OPERATING EXPENSES" shall mean, for any period, the total of all expenditures, computed on a cash accounting basis, of whatever kind during such period relating to the operation, maintenance and management of the Property that are incurred on a regular monthly or other periodic basis, including without limitation, utilities, ordinary repairs and maintenance (which ordinary repairs and maintenance for the purposes of this definition shall be no less than an assumed expense of \$54,062.50 per month), insurance, license fees, property taxes and assessments, advertising expenses, management fees, payroll and related taxes, computer processing charges, tenant improvements, leasing commissions and normalized capital expenditures (which tenant improvements, leasing commissions and normalized capital expenditures for the purposes of this definition shall be no less than an assumed expense of \$413,579.00 per month), operational equipment or other lease payments as approved by Lender, and other similar costs, but excluding from such calculation depreciation, Debt Service and interest costs.

"OTHER CHARGES" shall mean all ground rents, maintenance charges, impositions other than Taxes, and any other charges, including, without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Property, now or hereafter levied or assessed or imposed against the Property or any part thereof.

"PARTIAL DEFEASANCE COLLATERAL" shall mean U.S. Obligations, which provide payments (i) on or prior to, but as close as possible to, the Business Day immediately preceding all Monthly Payment Dates and other scheduled payment dates, if any, under the Defeased Note after the Partial Defeasance Date and up to and including the Permitted Prepayment Date, and (ii) in amounts equal to or greater than the Scheduled Partial Defeasance Payments relating to such Monthly Payment Dates and other scheduled payment dates.

"PARTIAL DEFEASANCE DATE" shall have the meaning set forth in Section 2.5.2(a) (i).

"PARTIAL DEFEASANCE EVENT" shall have the meaning set forth in Section 2.5.2(a).

"PATRIOT ACT" shall mean collectively all laws relating to terrorism or money laundering, including Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107 56).

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"PERMITTED ENCUMBRANCES" shall mean, collectively,

(i) the Liens and security interests created by the Loan Documents, (ii) all Liens, encumbrances and other matters expressly set forth on Schedule A or Schedule B of the Title Insurance Policy, (iii) Liens, if any, for Taxes imposed by any Governmental Authority not yet due or delinquent, (iv) such other title and survey exceptions as Lender has approved or may approve in writing in Lender's sole discretion, and (v) easements granted by Borrower from and after the date hereof in the ordinary course of business and approved by Lender, which approval shall not be unreasonably withheld.

"PERMITTED INVESTMENTS" shall have the meaning set forth in the Cash Management Agreement.

"PERMITTED PREPAYMENT DATE" shall have the meaning set forth in Section 2.4.1.

"PERMITTED TRANSFEREE" shall mean a corporation, partnership or limited liability company (i) acceptable to Lender in its sole discretion, (ii) that qualifies as a single purpose, bankruptcy remote entity under criteria established by the Rating Agencies and (iii) whose counsel has delivered to Lender a non-consolidation opinion reasonably acceptable to Lender and the Rating Agencies.

"PERSON" shall mean any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"POLICY" shall have the meaning set forth in Section 5.1.1(b).

"PREPAYMENT DATE" shall mean the date on which the Loan is prepaid in accordance with the terms hereof.

"PROHIBITED PERSON" shall mean any Person:

(i) listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "EXECUTIVE ORDER");

(ii) that is owned or controlled by, or acting for or on behalf of, any Person or entity that is listed in the Annex to, or is otherwise subject to the provisions of the Executive Order;

(iii) with whom Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering Law, including the Executive Order;

(iv) who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order;

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(v) that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website or at any replacement website or other replacement official publication of such list; or

(vi) who is an Affiliate of a Person listed above.

"PROHIBITED TRANSFER" shall have the meaning specified in Section 8.1(a).

"PROPERTY" shall mean the parcel of real property, the Improvements thereon and all personal property owned by Borrower and encumbered by the Mortgage, together with all rights pertaining to such property and Improvements, all as more particularly described in the granting clauses of the Mortgage.

"QUALIFIED TRANSFEREE" shall mean any one of the following Persons or wholly owned subsidiaries of such Person:

(i) a pension fund, pension trust or pension account that (a) has total real estate assets of at least One Billion Dollars and (b) is managed by a Person who controls at least One Billion Dollars of real estate equity assets; or

(ii) a pension fund advisor who (a) immediately prior to such transfer, controls at least One Billion Dollars of real estate equity assets and (b) is acting on behalf of one or more pension funds that, in the aggregate, satisfy the requirements of clause (i) of this

definition; or

(iii) an insurance company which is subject to supervision by the insurance commissioner, or a similar official or agency, of a state or territory of the United States (including the District of Columbia) (a) with a net worth, as of a date no more than six (6) months prior to the date of the transfer of at least Five Hundred Million Dollars and (b) who, immediately prior to such transfer, controls real estate equity assets of at least One Billion Dollars; or

(iv) a corporation organized under the banking laws of the United States or any state or territory of the United States (including the District of Columbia) (a) with a combined capital and surplus of at least Five Hundred Million Dollars and (b) who, immediately prior to such transfer, controls real estate equity assets of at least One Billion Dollars; or

(v) any Person (a) with a long-term unsecured debt rating from the Rating Agencies of at least investment grade or (b) who (i) directly or indirectly owns or operates at least twelve (12) regional shopping centers totaling at least six million square feet of gross leasable area, (ii) has a net worth, as of a date no more than six (6) months prior to the date of such transfer, of at least Five Hundred Million Dollars and (iii) immediately prior to such transfer, controls real estate equity assets of at least One Billion Dollars.

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"RATING AGENCIES" shall mean, prior to the final Securitization of the Loan, each of S&P, Moody's and Fitch, or any other nationally-recognized statistical rating agency which has been designated by Lender and, after the final Securitization of the Loan, shall mean any of the foregoing that have rated any of the Securities.

"RATING AGENCY CONFIRMATION" shall mean a written affirmation from each of the Rating Agencies that the credit rating of the Securities by such Rating Agency immediately prior to the occurrence of the event with respect to which such Rating Agency Confirmation is sought will not be qualified, downgraded or withdrawn as a result of the occurrence of such event, which affirmation may be granted or withheld in such Rating Agency's sole and absolute discretion.

"REGISTRATION STATEMENT" shall have the meaning set forth in Section 9.2(b).

"RELEASE DATE" shall mean the earlier to occur of (i) the fourth (4th) anniversary of the Closing Date and (ii) the date that is two (2) years from the "startup day" (within the meaning of Section 860G(a)(9) of the Code) of the REMIC Trust established in connection with the last Securitization involving any portion of this Loan.

"RELEASE PARCEL" shall mean that certain portion of the Property comprising approximately 50,000 square feet of office space more particularly shown on Schedule VI attached hereto.

"REMIC TRUST" shall mean a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code that holds the Note or any portion thereof.

"RENTS" shall mean all rents (including, without limitation, percentage rents), rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower or its agents or employees from any and all sources arising from or attributable to the Property, and proceeds, if any, from business interruption or other loss of income insurance.

"REQUIRED REPAIR FUNDS" shall have the meaning set forth in Section 6.1.1.

"REQUIRED REPAIRS" shall have the meaning set forth in Section 6.1.1.

"RESERVE FUNDS" shall mean, collectively, the Capital Expenditure Funds, the Insurance Funds, the Tax Funds, the Required Repair Funds and the Rollover Funds.

"RESTORATION" shall have the meaning set forth in Section 5.2.1.

"RESTORATION THRESHOLD" shall mean Eight Hundred Seventy Thousand and No/00 Dollars (\$870,000.00).

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"RESTRICTED PARTY" shall mean Borrower, Borrower Principal, and any SPC Party.

"ROLLOVER FUNDS" shall have the meaning set forth in Section 6.5.1.

"S&P" shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"SALE OR PLEDGE" shall mean a voluntary or involuntary sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, grant of any options with respect to, or any other transfer or disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a legal or beneficial interest, except with respect to Permitted Encumbrances.

"SCHEDULED DEFEASANCE PAYMENTS" shall mean Scheduled Partial Defeasance Payments or Scheduled Total Defeasance Payments, as the case may be.

"SCHEDULED PARTIAL DEFEASANCE PAYMENTS" shall mean scheduled payments of interest and principal under the Defeased Note for all Monthly Payment Dates occurring after the Partial Defeasance Date and up to and including the Permitted Prepayment Date (including, the outstanding principal balance on the Defeased Note as of the Permitted Prepayment Date), and all payments required after the Partial Defeasance Date, if any, under the Loan Documents for servicing fees, and other similar charges.

"SCHEDULED TOTAL DEFEASANCE PAYMENTS" shall mean scheduled payments of interest and principal under the Note in the amount of the Monthly Debt Service Payment Amount for all Monthly Payment Dates occurring after the Total Defeasance Date and up to and including the Permitted Prepayment Date (including, the outstanding principal balance on the Note as of the Permitted Prepayment Date), and all payments required after the Total Defeasance Date, if any, under the Loan Documents for servicing fees and other similar charges.

"SECONDARY MARKET TRANSACTION" shall have the meaning set forth in Section 9.1(a).

"SECURITIES" shall have the meaning set forth in Section 9.1(a).

"SECURITIES ACT" shall have the meaning set forth in Section 9.2(a).

"SECURITIZATION" shall have the meaning set forth in Section 9.1(a).

"SECURITY AGREEMENT" shall mean a security agreement in form and substance that would be satisfactory to a prudent lender pursuant to which Borrower grants Lender a perfected, first priority security interest in the Defeasance Collateral Account and the Defeasance Collateral.

"SERVICER" shall have the meaning set forth in Section 11.24(a).

"SERVICING AGREEMENT" shall have the meaning set forth in Section 11.24(a).

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"SEVERED LOAN DOCUMENTS" shall have the meaning set forth in Section 10.2(c).

"SPC PARTY" shall have the meaning set forth in Section 3.1.24(o).

"STANDARD STATEMENTS" shall have the meaning set forth in Section 9.1(c)(i).

"STATE" shall mean the State or Commonwealth in which the Property or any part thereof is located.

"STOP AND SHOP" shall mean Stop & Shop Supermarket Company, Inc., as tenant under the Stop and Shop Lease.

"STOP AND SHOP LEASE" shall mean that certain lease dated July 1, 1986 between Stop and Shop, as tenant and Roger V. Calarese and Americo Calarese as Trustees for Franklin Village Trust, as landlord (as modified and amended, including without limitation the Stop and Shop Third Lease Amendment).

"STOP AND SHOP THIRD LEASE AMENDMENT" shall mean that certain Third Amendment to the Stop and Shop Lease, dated April 2, 2004.

"SUBSTITUTE GUARANTOR" shall have the meaning set forth in Section 8.3 hereof.

"SUCCESSOR BORROWER" shall have the meaning set forth in Section 2.5.3.

"SUPPLEMENTAL GUARANTY" shall mean that certain Supplemental Guaranty of even date herewith from Guarantor for the benefit of Lender.

"SURVEY" shall mean a current land survey for the Property, certified to the title company and Lender and its successors and assigns, in form and content reasonably satisfactory to Lender and prepared by a professional and properly licensed land surveyor reasonably satisfactory to Lender in accordance with the 1999 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys (i) meeting the classification of an "Urban Survey" and the following additional items from the list of "Optional Survey Responsibilities and Specifications" (Table A) should be added to each survey: 2, 3, 4, 6, 8, 9, 10, 11 and 13, (ii) reflecting a metes and bounds description of the real property comprising part of the Property in conformity with the Title Insurance Policy, and (iii) together with the surveyor's seal affixed to the Survey and a certification from the surveyor in form and substance reasonably acceptable to Lender.

"TAX FUNDS" shall have the meaning set forth in Section 6.2.1.

"TAXES" shall mean all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against the Property or part thereof, together with all interest and penalties thereon.

"TENANT" shall mean any Person obligated by contract or otherwise to pay monies (including a percentage of gross income, revenue or profits) under any Lease now or hereafter affecting all or any part of the Property.

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"TERRORISM CAP" shall have the meaning set forth in Section 5.1.1(a) (x) hereof.

"TITLE INSURANCE POLICY" shall mean an ALTA mortgagee Title Insurance policy in the form reasonably acceptable to Lender issued with respect to the Property and insuring the lien of the Mortgage together with such endorsements and affirmative coverages as Lender may reasonably require.

"TOTAL DEFEASANCE COLLATERAL" shall mean U.S. Obligations, which provide payments (i) on or prior to, but as close as possible to, the Business Day immediately preceding all Monthly Payment Dates and other scheduled payment dates, if any, under the Note after the Total Defeasance Date and up to and including the Permitted Prepayment Date, and (ii) in amounts equal to or greater than the Scheduled Total Defeasance Payments relating to such Monthly Payment Dates and other scheduled payment dates.

"TOTAL DEFEASANCE DATE" shall have the meaning set forth in Section 2.5.1(a) (i).

"TOTAL DEFEASANCE EVENT" shall have the meaning set forth in Section 2.5.1(a).

"TRANSFEREE" shall have the meaning set forth in Section 8.1(e) (ii).

"TRUSTEE" shall mean any trustee holding the Loan in a Securitization.

"UCC" or "UNIFORM COMMERCIAL CODE" shall mean the Uniform Commercial Code as in effect in the State.

"UNDEFEASED NOTE" shall have the meaning set forth in Section 2.5.2(a) (iv) hereof.

"UNDERWRITER GROUP" shall have the meaning set forth in Section 9.2(b).

"UPDATED INFORMATION" shall have the meaning set forth in

Section 9.1(b)(i).

"U.S. OBLIGATIONS" shall mean direct full faith and credit obligations of the United States of America that are not subject to prepayment, call or early redemption.

"YIELD MAINTENANCE PREMIUM" 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 any other costs and expenses that would be incurred in defeasing the Loan pursuant to Section 2.5 hereof.

SECTION 1.2 PRINCIPLES OF CONSTRUCTION.

All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

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II. THE LOAN

SECTION 2.1 THE LOAN.

2.1.1 AGREEMENT TO LEND AND BORROW. Subject to and upon the terms and conditions set forth herein, Lender shall make the Loan to Borrower and Borrower shall accept the Loan from Lender on the Closing Date.

2.1.2 SINGLE DISBURSEMENT TO BORROWER. Borrower shall receive only one (1) borrowing hereunder in respect of the Loan and any amount borrowed and repaid hereunder in respect of the Loan may not be reborrowed.

2.1.3 THE NOTE. The Loan shall be evidenced by that certain Promissory Note of even date herewith, in the stated principal amount of Forty-Three Million Five Hundred Thousand and No/100 Dollars (\$43,500,000.00) executed by Borrower and payable to the order of Lender in evidence of the Loan (as the same may hereafter be amended, supplemented, restated, increased, extended or consolidated from time to time, the "NOTE") and shall be repaid in accordance with the terms of this Agreement and the Note.

2.1.4 USE OF PROCEEDS. Borrower shall use proceeds of the Loan to (a) to acquire the Property, (b) deposit the Reserve Funds, (c) pay costs and expenses incurred in connection with the closing of the Loan, as approved by Lender, (d) fund any working capital requirements of the Property, as approved by Lender and (e) distribute the balance of the proceeds, if any to Borrower.

SECTION 2.2 INTEREST RATE.

2.2.1 INTEREST RATE. Interest on the outstanding principal balance of the Loan shall accrue from the Closing Date up to and including the Maturity Date at the Interest Rate.

2.2.2 INTENTIONALLY OMITTED

2.2.3 DEFAULT RATE. In the event that, and for so long as, any Event of Default shall have occurred and be continuing, the outstanding principal balance of the Loan and, to the extent permitted by law, overdue interest in respect of the Loan, shall accrue interest at the Default Rate, calculated from the date such payment was due without regard to any grace or cure periods contained herein.

2.2.4 INTEREST CALCULATION. Interest on the outstanding principal balance of the Loan shall be calculated by multiplying (a) the actual number of days elapsed in the period for which the calculation is being made by (b) a daily rate based on a three hundred sixty (360) day year (that is, the Interest Rate or the Default Rate, as then applicable, expressed as an annual rate divided by 360) by (c) the outstanding principal balance.

2.2.5 USURY SAVINGS. This Agreement and the other Loan Documents are subject to the express condition that at no time shall Borrower be required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Agreement or the

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other Loan Documents, Borrower is at any time required or obligated to pay

interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

SECTION 2.3 LOAN PAYMENTS.

2.3.1 PAYMENT BEFORE MATURITY DATE. Borrower shall make a payment to Lender of interest only on the Closing Date for the period from the Closing Date through the last day of the month in which the Closing Date occurs (unless the Closing Date is the first (1st) day of a calendar month, in which case no such separate payment of interest shall be due). Borrower shall make a payment to Lender of interest only in the amount of the Monthly Debt Service Payment Amount on the Monthly Payment Date occurring in December, 2004 and on each Monthly Payment Date thereafter to and including the Maturity Date.

2.3.2 INTENTIONALLY OMITTED.

2.3.3 PAYMENT ON MATURITY DATE. Borrower shall pay to Lender on the Maturity Date the outstanding principal balance of the Loan, all accrued and unpaid interest and all other amounts due hereunder and under the Note, the Mortgage and the other Loan Documents.

2.3.4 LATE PAYMENT CHARGE. If any principal, interest or any other sum due under the Loan Documents, other than the payment of principal due on the Maturity Date, is not paid by Borrower on or prior to the fifth (5th) day following the date on which it is due, Borrower shall pay to Lender upon demand an amount equal to the lesser of (a) five percent (5%) of such unpaid sum or (b) the maximum amount permitted by applicable law in order to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of such delinquent payment. Any such amount shall be secured by the Mortgage and the other Loan Documents.

2.3.5 METHOD AND PLACE OF PAYMENT.

(a) Except as otherwise provided herein, all payments and prepayments under this Agreement and the Note shall be made to Lender not later than 1:00 P.M., New York City time, on the date when due and shall be made in lawful money of the United States of America in immediately available funds at Lender's office at 1114 Avenue of the Americas, 29th Floor, New York, New York 10036, or at such other place as Lender may from time to time designate in writing, and any funds received by Lender after such time shall, for all purposes hereof, be deemed to have been paid on the next succeeding Business Day.

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(b) Whenever any payment to be made hereunder or under any other Loan Document shall be stated to be due on a day which is not a Business Day, the due date thereof shall be the immediately preceding Business Day, and such early payment shall in such case not be included in the computation of interest.

(c) All payments required to be made by Borrower hereunder or under the Note or the other Loan Documents shall be made irrespective of, and without deduction for, any setoff, claim or counterclaim and shall be made irrespective of any defense thereto.

SECTION 2.4 PREPAYMENTS.

2.4.1 VOLUNTARY PREPAYMENTS. Except as otherwise provided herein, Borrower shall not have the right to prepay the Loan in whole or in part. On and after May 1, 2011 ("PERMITTED PREPAYMENT DATE"), Borrower may, at its option and upon thirty (30) days prior notice to Lender, prepay the Debt in whole, but not in part, on any date without payment of the Yield Maintenance Premium or any other prepayment premium, but with payment of accrued and unpaid interest and all other sums owing under the Note, this Agreement and the other Loan Documents. Any prepayment received by Lender on a date other than a Monthly Payment Date shall include interest which would have accrued thereon to the next Monthly Payment Date.

2.4.2 MANDATORY PREPAYMENTS. On each date on which Lender actually receives a distribution of Net Proceeds, and if Lender does not make such Net Proceeds available to Borrower for a Restoration, Borrower shall, at Lender's option, prepay the outstanding principal balance of the Note in an

amount equal to one hundred percent (100%) of such Net Proceeds together with interest that would have accrued on such amounts through the next Monthly Payment Date. No Yield Maintenance Premium or any other prepayment premium shall be due in connection with any prepayment made pursuant to this Section 2.4.2. Any partial prepayment shall be applied to the payment due at maturity.

2.4.3 PREPAYMENTS AFTER DEFAULT. If after an Event of Default, but prior to the date when prepayment is permitted under Section 2.4.1, payment of all or any part of the principal of the Loan is tendered by Borrower (which tender Lender may reject to the extent permitted under applicable Legal Requirements), a purchaser at foreclosure or any other Person, such tender shall be deemed an attempt to circumvent the prohibition against prepayment set forth in Section 2.4.1 and Borrower, such purchaser at foreclosure or other Person shall pay a sum equal to the greater of (i) the Yield Maintenance Premium, and (ii) one percent (1.0%) of the outstanding principal balance of the Loan, in addition to the outstanding principal balance, all accrued and unpaid interest and other amounts payable under the Loan Documents.

SECTION 2.5 DEFEASANCE.

2.5.1 TOTAL DEFEASANCE.

(a) Provided no Event of Default shall have occurred and remain uncured, Borrower shall have the right at any time after the Release Date to voluntarily defease the entire Loan and obtain a release of the lien of the Mortgage by providing Lender with the Total Defeasance Collateral (hereinafter, a "TOTAL DEFEASANCE EVENT"), subject to the satisfaction of the following conditions precedent:

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(i) Borrower shall provide Lender not less than thirty (30) days notice (or such shorter period of time if permitted by Lender in its sole discretion) specifying a date (the "TOTAL DEFEASANCE DATE") on which the Total Defeasance Event is to occur;

(ii) Borrower shall pay to Lender (A) all payments of interest due on the Loan to and including the Total Defeasance Date (including, without limitation, short-term interest, if any) and (B) all other sums, then due under the Note, this Agreement, the Mortgage and the other Loan Documents;

(iii) Borrower shall deposit the Total Defeasance Collateral into the Defeasance Collateral Account and otherwise comply with the provisions of Sections 2.5.3 and 2.5.4 hereof;

(iv) Borrower shall execute and deliver to Lender a Security Agreement in respect of the Defeasance Collateral Account and the Total Defeasance Collateral;

(v) Borrower shall deliver to Lender an opinion of counsel for Borrower that is standard and commercially reasonable in commercial lending transactions and subject only to customary qualifications, assumptions and exceptions opining, among other things, that (A) Lender has a legal and valid perfected first priority security interest in the Defeasance Collateral Account and the Total Defeasance Collateral, (B) if a Securitization has occurred, the REMIC Trust formed pursuant to such Securitization will not fail to maintain its status as a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code as a result of a Total Defeasance Event pursuant to this Section 2.5, (C) that Borrower has legally and validly transferred and assigned the Total Defeasance Collateral to the Successor Borrower and (D) a non-consolidation opinion with respect to the Successor Borrower;

(vi) Borrower shall deliver to Lender a Rating Agency Confirmation as to the Total Defeasance Event;

(vii) Borrower shall deliver an Officer's Certificate certifying that the requirements set forth in this Section 2.5 have been satisfied;

(viii) Borrower shall deliver a certificate of a "big four" or other nationally recognized public accounting firm reasonably acceptable to Lender certifying that the Total Defeasance Collateral will generate monthly amounts equal to or greater than the Scheduled Total Defeasance Payments;

(ix) Borrower shall deliver such other certificates, opinions, documents and instruments as Lender may reasonably request; and

(x) Borrower shall pay all costs and expenses of Lender actually incurred in connection with the Total Defeasance Event,

including Lender's reasonable attorneys' fees and expenses and Rating Agency fees and expenses. Simultaneously with the notice described in subparagraph (a) (i) above, Borrower shall deliver to Lender an amount reasonably determined by Lender to be sufficient to pay such costs and expenses, which amount may be applied by Lender toward payment of such costs and expenses if a proposed Total Defeasance Event does not occur,

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provided that if such amount is insufficient to pay such costs and expenses, Borrower shall remain obligated to pay any deficiency.

(b) If Borrower has elected to defease the Note and the requirements of this Section 2.5.1 have been satisfied, the Property shall be released from the lien of the Mortgage and the Total Defeasance Collateral pledged pursuant to the Security Agreement shall be the sole collateral securing the Note. In connection with the release of the Lien, Borrower shall submit to Lender, not less than thirty (30) days prior to the Total Defeasance Date (or such shorter time as is acceptable to Lender in its sole discretion), a release of Lien (and related Loan Documents) for execution by Lender. Such release shall be in a form appropriate in the jurisdiction in which the Property is located and shall contain standard provisions protecting the rights of the releasing lender. In addition, Borrower shall provide all other documentation Lender reasonably requires to be delivered by Borrower in connection with such release, together with an Officer's Certificate reasonably acceptable to Lender certifying that such documentation (i) is in material compliance with all Legal Requirements, and (ii) will effect such release in accordance with the terms of this Agreement. Borrower shall pay all reasonable costs, taxes and expenses associated with the release of the lien of the Mortgage, including Lender's reasonable attorneys' fees. Except as set forth in this Section 2.5.1, no repayment, prepayment or defeasance of all or any portion of the Note shall cause, give rise to a right to require, or otherwise result in, the release of the lien of the Mortgage on the Property. The foregoing release shall be effective upon the Total Defeasance Date but Lender agrees to provide written evidence of such release to Borrower promptly following Borrower's request therefor. 2.5.2 PARTIAL DEFEASANCE. (a) Provided no Event of Default shall have occurred and remain uncured beyond the expiration of any applicable cure period, Borrower shall have the right at any time after the Release Date to obtain a partial release of the Lien of the Mortgage encumbering the Release Parcel (hereinafter, a "PARTIAL DEFEASANCE EVENT") upon satisfaction of the following conditions:

(i) Borrower shall provide Lender thirty (30) days prior written notice (or such shorter period of time if permitted by Lender in its sole discretion) specifying a Monthly Payment Date (the "PARTIAL DEFEASANCE DATE") on which Borrower shall have satisfied the conditions in this Section 2.5.2 and shall effect the defeasance;

(ii) Borrower shall pay to Lender (A) all payments of interest due and payable on the Loan up to and including the Partial Defeasance Date and (B) all other sums, then due and payable under the Note, this Agreement, the Mortgage and the other Loan Documents;

(iii) Borrower shall deposit the Partial Defeasance Collateral into the Defeasance Collateral Account and otherwise comply with the provisions of Sections 2.5.3 and 2.5.4 hereof;

(iv) Borrower shall prepare all necessary documents to modify this Agreement and to amend and restate the Note and issue two substitute notes, one note having a principal balance equal to 125% of the Allocated Loan Amount (the "DEFEASED NOTE"), and the other note

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having a principal balance equal to the excess of (A) the outstanding principal amount of the Loan, over (B) the amount of the Defeased Note (the "UNDEFEASED NOTE"). The Defeased Note and the Undefeased Note shall have identical payment terms as the Note except for the principal balance. The Defeased Note and the Undefeased Note shall be cross defaulted and cross collateralized unless the Rating Agencies shall require otherwise or unless a Successor Borrower is established pursuant to Section 2.5.4. A Defeased Note may not be the subject of any further defeasance;

(v) Borrower shall execute and deliver to Lender a Security Agreement in respect of the Defeasance Collateral Account and the Partial Defeasance Collateral;

(vi) After giving effect to the release of the Lien of the Mortgage encumbering the Release Parcel, the Debt Service Coverage Ratio with respect to the remaining portion of the Property is not less than the greater of (A) the Debt Service Coverage Ratio prior to the release and (B) Debt Service Coverage Ratio of 1.90x.

(vii) Borrower shall have delivered to Lender and the Rating Agencies shall have received from Borrower with respect to the matters referred to in clause (vi), (A) statements of the Net Cash Flow and Debt Service (both on a consolidated basis and separately for the applicable portion of the Property to be released) for the applicable measuring period and (B) based on the foregoing statements of Net Cash Flow and Debt Service, calculations of the Debt Service Coverage Ratio both with and without giving effect to the proposed release, and (C) calculations of the ratios referred to in such clause (vi), accompanied by an Officer's Certificate stating that such statements, calculations and information are true, correct and complete in all material respects;

(viii) Borrower shall deliver to Lender an opinion of counsel for Borrower that would be reasonably satisfactory to a prudent lender opining, among other things, that (A) Lender has a legal and valid perfected first priority security interest in the Defeasance Collateral Account and the Partial Defeasance Collateral, (B) if a Securitization has occurred, the REMIC Trust formed pursuant to such Securitization will not fail to maintain its status as a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code as a result of the defeasance pursuant to this Section 2.5.2, (C) that Borrower has legally and validly transferred and assigned the Total Defeasance Collateral to the Successor Borrower (D) delivery of the Partial Defeasance Collateral and the grant of a security interest therein to Lender shall not constitute an avoidable preference under Section 547 of the Bankruptcy Code or applicable state law and (E) a non-consolidation opinion with respect to the Successor Borrower;

(ix) Borrower shall deliver to Lender a Rating Agency Confirmation as to the Partial Defeasance Event;

(x) Borrower shall deliver a certificate of a "big four" or other nationally recognized public accounting firm reasonably acceptable to Lender certifying that the Partial Defeasance Collateral will generate monthly amounts equal to or greater than the Scheduled Defeasance Payments;

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(xi) Borrower shall deliver to Lender an Officer's Certificate certifying that the requirements set forth in this Section 2.5.2(a) have been satisfied;

(xii) Borrower shall deliver to Lender such other certificates, documents or instruments as Lender may reasonably request; and

(xiii) Borrower shall pay all costs and expenses of Lender actually incurred in connection with the defeasance, including Lender's reasonable attorneys' fees and expenses.

(b) If Borrower has elected to make a partial defeasance and the requirements of Section 2.5.2(a) have been satisfied, the Release Parcel shall be released from the Lien of the Mortgage, upon satisfaction of the following additional conditions:

(i) on the date Borrower delivers to Lender notice of the proposed release and on the date of the release, no Event of Default has occurred which is continuing;

(ii) not less than ten (10) Business Days prior to the date of the release, Borrower delivers to Lender a notice setting forth (i) the date of the release, (ii) a metes and bounds description of the Release Parcel and (iii) a Survey of the Release Parcel;

(iii) Borrower delivers to Lender evidence (together with an Officer's Certificate certifying to such documentation) which would be satisfactory to a prudent lender acting reasonably that (A) the Release Parcel has been, or is about to be (without any further discretionary or other approvals pending), legally subdivided from the remainder of the Property; (B) after giving effect to such transfer, each of the Release Parcel and the balance of the Property conforms to and is in compliance in all material respects with applicable Legal Requirements and constitute separate tax lots, and (C) the Release Parcel is not necessary for the Property to comply with any zoning, building, land use or parking or other Legal Requirements applicable to the Property or for the then current use of the Property, including without limitation for legal access, driveways, parking, utilities or drainage or, to the extent that the Release Parcel is necessary for any such purpose, a reciprocal easement agreement or other agreement has been executed and recorded that would run to the benefit of Borrower, run

with the land and allow the owner of the Property to continue to use the Release Parcel to the extent necessary for such purpose;

(iv) in the event that the release would reasonably be expected to materially adversely effect Lender's rights under the Title Insurance Policy as to any portion of the Property other than as to the Release Parcel, Borrower shall deliver to Lender an endorsement to the Title Insurance Policy insuring the Mortgage (A) extending the effective date of the policy to the effective date of the release; (B) confirming no change in the priority of the Mortgage on the balance of the Property (exclusive of the Release Parcel) or in the amount of the insurance or the coverage of the Property (exclusive of the Release Parcel) under the policy; and (C) insuring the rights and benefits under any new or amended reciprocal easement agreement or such other agreement required pursuant to clause (iii)(C) of this Section that has been executed and recorded, and the lien of the Mortgage is a first

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lien on Borrower's beneficial interest in such easement, subject to no exceptions other than Permitted Encumbrances and those approved by Lender in its reasonable discretion;

(v) Borrower has complied with any requirements applicable to the release in the Leases, reciprocal easement agreements, operating agreements, parking agreements or other similar agreements affecting the Property and the release does not violate any of the provisions of such documents in any respect that would result in a termination (or give any other party thereto the right to terminate), extinguishment or other loss of material rights of Borrower or in a material increase in Borrower's obligations under such documents and, to the extent necessary to comply with such documents, the transferee of the Release Parcel has assumed Borrower's obligations, if any, relating to the Release Parcel under such documents;

(vi) Borrower shall submit to Lender, not less than five (5) Business Days prior to the Partial Defeasance Date (or such shorter time as permitted by Lender in its sole discretion), a release of Lien (and related Loan Documents) for execution by Lender. Such release shall be in a form appropriate in the jurisdiction in which the Property is located and that would be satisfactory to a prudent lender;

(vii) Borrower shall pay all costs, taxes and expenses actually incurred in connection with the release of the Lien of the Mortgage, including Lender's reasonable attorneys' fees and reasonable out-of-pocket expenses;

(viii) Borrower delivers to Lender any other information, approvals and documents which would be required by a prudent lender acting reasonably relating to the release; and

(ix) Borrower shall cause, if applicable, title to the Release Parcel so released from the Lien of the Mortgage to be transferred to and held by a Person other than Borrower.

(c) Except as set forth in this Section 2.5, no repayment, prepayment or defeasance of all or any portion of the Note shall cause, give rise to a right to require, or otherwise result in, the release of any Lien of any Mortgage on any of the Property.

2.5.3 DEFEASANCE COLLATERAL ACCOUNT. On or before the date on which Borrower delivers the Defeasance Collateral, Borrower shall open at any Eligible Institution the defeasance collateral account (the "DEFEASANCE COLLATERAL ACCOUNT") which shall at all times be an Eligible Account. The Defeasance Collateral Account shall contain only (a) Defeasance Collateral, and (b) cash from interest and principal paid on the Defeasance Collateral. All cash from interest and principal payments paid on the Defeasance Collateral shall be paid over to Lender on each Monthly Payment Date and applied to accrued and unpaid interest. Any cash from interest and principal paid on the Defeasance Collateral not needed to pay the Scheduled Defeasance Payments shall be paid to Borrower. Borrower shall cause the Eligible Institution at which the Defeasance Collateral is deposited to enter an agreement with Borrower and Lender, satisfactory to Lender in its sole discretion, pursuant to which such Eligible Institution shall agree to hold and distribute the Defeasance Collateral in

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accordance with this Agreement. The Borrower or Successor Borrower, as applicable, shall be the owner of the Defeasance Collateral Account and shall report all income accrued on the Defeasance Collateral for federal, state and local income tax purposes in its income tax return. Borrower or Successor

Borrower shall prepay all cost and expenses associated with opening and maintaining the Defeasance Collateral Account. Lender shall not in any way be liable by reason of any insufficiency in the Defeasance Collateral Account.

2.5.4 SUCCESSOR BORROWER. In connection with a Defeasance Event under this Section 2.5, Borrower shall, if required by the Rating Agencies or if Borrower elects to do so, establish or designate a successor entity (the "SUCCESSOR BORROWER") which shall be a single purpose bankruptcy remote entity and which shall be approved by the Rating Agencies. Any such Successor Borrower may, at Borrower's option, be an Affiliate of Borrower unless the Rating Agencies shall require otherwise. Borrower shall transfer and assign all obligations, rights and duties under and to the Note or the Defeased Note, as applicable, together with the Defeasance Collateral to such Successor Borrower. Such Successor Borrower shall assume the obligations under the Note or the Defeased Note, as applicable, and the Security Agreement and Borrower shall be relieved of its obligations under such documents. Borrower shall pay a minimum of One Thousand and No/100 Dollars (\$1,000.00) to any such Successor Borrower as consideration for assuming the obligations under the Note or the Defeased Note, as applicable, and the Security Agreement. Borrower shall pay all costs and expenses actually incurred by Lender, including Lender's reasonable attorney's fees and expenses, actually incurred in connection therewith.

SECTION 2.6 FOREIGN LENDERS.

Any Lender that is not a United States "person" within the meaning of Section 7701(a)(30) of the Code (a "NON-U.S. LENDER") shall deliver to Borrower, upon making the Loan or accepting an assignment of the Loan or any interest therein, two duly completed and signed copies of IRS Form W-8BEN, IRS Form W-8ECI or IRS Form W-8IMY or any successor form thereto (relating to such Non-U.S. Lender and entitling it to an exemption from, or reduction of, withholding tax on all payments to be made to such Non-U.S. Lender by Borrower) or such other evidence satisfactory to Borrower that such Non-U.S. Lender is entitled to an exemption from, or reduction of, U.S. withholding tax. A Form W-8BEN completed and delivered by (i) certain foreign trusts, or (ii) persons claiming an exemption or reduced rate of withholding at source under an income tax treaty will not be considered duly completed unless the Form W-8BEN contains such Person's U.S. taxpayer identification number. Thereafter and from time to time, such Non-U.S. Lender shall (a) upon reasonable requests from Borrower, submit to Borrower such additional duly completed and signed copies of one of such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxing authorities) as may then be available under then current United States laws and regulations to avoid, or such evidence as is satisfactory to Borrower of any available exemption from or reduction of, United States withholding taxes in respect of all payments to be made to such Non-U.S. Lender, (b) notify Borrower of any change in circumstances which would to Lender's actual knowledge, modify or render invalid any claimed exemption or reduction, and (c) upon reasonable requests from Borrower, take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Non-U.S. Lender, and as may be reasonably necessary to avoid any

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requirements that Borrower make any deduction or withholding for taxes from amounts payable to such Non-U.S. Lender. If such Non-U.S. Lender fails to deliver the above forms or other documentation reasonably satisfactory to Borrower evidencing complete exemption from U.S. federal withholding tax on all payments by Borrower under the Loan, or if for any reason Borrower is required by U.S. law to withhold U.S. income tax, then notwithstanding anything to the contrary in the Loan Documents, Borrower may withhold from any interest payment to such Non-U.S. Lender an amount equivalent to the applicable withholding tax imposed by Sections 1441 and 1442 of the Code and deduct such withholding from such payment.

III. REPRESENTATIONS AND WARRANTIES

SECTION 3.1 BORROWER REPRESENTATIONS.

Borrower represents and warrants that:

3.1.1 ORGANIZATION.

(a) Each of Borrower and each SPC Party is duly organized, validly existing and in good standing with full power and authority to own the Property and conduct its business, and is duly qualified in all jurisdictions in which the ownership or lease of the Property or the conduct of its business requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect on its ability to perform its obligations hereunder, and Borrower has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the other Loan Documents by it, and has the power and authority to execute, deliver and perform under this Agreement, the other Loan Documents and all the transactions contemplated hereby.

(b) Borrower's exact legal name is correctly set forth in the first paragraph of this Agreement. Borrower is an organization of the type specified in the first paragraph of this Agreement. Borrower is incorporated or organized under the laws of the state specified in the first paragraph of this Agreement. Borrower's principal place of business and chief executive office, and the place where Borrower keeps its books and records, including recorded data of any kind or nature, regardless of the medium of recording, including software, writings, plans, specifications and schematics, has been for the preceding four (4) months (or, if less than four (4) months, the entire period of the existence of Borrower) and will continue to be the address of Borrower set forth in the first paragraph of this Agreement (unless Borrower notifies Lender in writing at least thirty (30) days prior to the date of such change). Borrower's organizational identification number, if any, assigned by the state of its incorporation or organization is 3830201. Borrower's federal tax identification number is 20-1414039.

3.1.2 PROCEEDINGS. This Agreement and the other Loan Documents have been duly authorized, executed and delivered by Borrower and constitute a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and by general

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principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.1.3 NO CONFLICTS. The execution and delivery of this Agreement and the other Loan Documents by Borrower and the performance of its obligations hereunder and thereunder will not conflict with any provision of any law or regulation to which Borrower is subject, or conflict with, result in a breach of, or constitute a default under, any of the terms, conditions or provisions of any of Borrower's organizational documents or any agreement or instrument to which Borrower is a party or by which it is bound, or any order or decree applicable to Borrower, or result in the creation or imposition of any lien on any of Borrower's assets or property (other than pursuant to the Loan Documents).

3.1.4 LITIGATION. There is no action, suit, proceeding or investigation pending or, to Borrower's knowledge, threatened against Borrower in any court or by or before any other Governmental Authority that would have a Material Adverse Effect.

3.1.5 AGREEMENTS. Borrower is not a party to any agreement or instrument or subject to any restriction which would have a Material Adverse Effect. Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which Borrower or the Property is bound. Borrower has no material financial obligation under any agreement or instrument to which Borrower is a party or by which Borrower or the Property is otherwise bound, other than (a) obligations incurred in the ordinary course of the operation of the Property and (b) obligations under the Loan Documents.

3.1.6 CONSENTS. No consent, approval, authorization or order of any court or Governmental Authority is required for the execution, delivery and performance by Borrower of, or compliance by Borrower with, this Agreement or the consummation of the transactions contemplated hereby, other than those which have been obtained by Borrower.

3.1.7 TITLE. Borrower has good, marketable and insurable fee simple title to the real property comprising part of the Property and good title to the balance of the Property, free and clear of all Liens whatsoever except the Permitted Encumbrances. The Mortgage, when properly recorded in the appropriate records, will create (a) a valid, first priority, perfected lien on the Property, subject only to Permitted Encumbrances and (b) perfected security interests in and to, and perfected collateral assignments of, all personality (including the Leases), all in accordance with the terms thereof, in each case subject only to any Permitted Encumbrances. There are no mechanics', materialman's or other similar liens or claims which have been filed for work, labor or materials affecting the Property which are or may be liens prior to, or equal or coordinate with, the lien of the Mortgage. None of the Permitted Encumbrances, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by the Mortgage and this Loan Agreement, materially and adversely affect the value of the Property, impair the use or operations of the Property or impair Borrower's ability to pay its obligations in a timely manner.

3.1.8 NO PLAN ASSETS. As of the date hereof and throughout the term of the Loan (a) Borrower is not and will not be an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA, (b) none of

the assets of Borrower constitutes or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101, (c) Borrower is not and will not be a "governmental plan" within the meaning of Section 3(32) of ERISA, and (d) transactions by or with Borrower are not and will not be subject to any state statute regulating investments of, or fiduciary obligations with respect to, governmental plans.

3.1.9 COMPLIANCE. To the best of Borrower's knowledge, Borrower and the Property and the use thereof comply in all material respects with all applicable Legal Requirements, including, without limitation, building and zoning ordinances and codes. To the best of Borrower's knowledge, Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority, the violation of which would have a Material Adverse Effect. 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 Property any act or omission affording the federal government or any state or local government the right of forfeiture as against the Property 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.

3.1.10 FINANCIAL INFORMATION. To the best of Borrower's knowledge, all financial data, including, without limitation, the statements of cash flow and income and operating expense, that have been delivered to Lender in respect of the Property (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of the Property as of the date of such reports, and (iii) have been prepared in accordance with GAAP or such other accounting method that may be acceptable to Lender) throughout the periods covered, except as disclosed therein. Borrower does not have any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments that are known to Borrower and reasonably likely to have a Material Adverse Effect. Since the date of the most current financial statements delivered by Borrower to Lender, there has been no material adverse change in the financial condition, operations or business of Borrower or, to Borrower's knowledge, the Property from that set forth in said financial statements.

3.1.11 CONDEMNATION. No Condemnation or other proceeding has been commenced or, to Borrower's best knowledge, is threatened with respect to all or any portion of the Property or for the relocation of roadways providing access to the Property.

3.1.12 UTILITIES AND PUBLIC ACCESS. The Property has rights of access to public ways and is served by water, sewer, sanitary sewer and storm drain facilities adequate to service the Property for its intended uses.

3.1.13 SEPARATE LOTS. The Property is comprised of one (1) or more parcels which constitute separate tax lots and do not constitute a portion of any other tax lot not a part of the Property.

3.1.14 ASSESSMENTS. To Borrower's knowledge, there are no pending or proposed special or other assessments for public improvements or otherwise affecting the Property, nor are there any contemplated improvements to

the Property that may result in such special or other assessments.

3.1.15 NO DEFENSES. The Loan Documents are not subject to any right of rescission, set off, counterclaim or defense by Borrower, including the defense of usury, nor would the operation of any of the terms of the Loan Documents, or the exercise of any right thereunder, render the Loan Documents unenforceable, and Borrower has not asserted any right of rescission, set off, counterclaim or defense with respect thereto.

3.1.16 ASSIGNMENT OF LEASES. The Assignment of Leases creates a valid assignment of, or a valid security interest in, certain rights under the Leases, subject only to a license granted to Borrower to exercise certain rights and to perform certain obligations of the lessor under the Leases, as more particularly set forth therein. No Person other than Lender has any interest in or assignment of the Leases or any portion of the Rents due and payable or to become due and payable thereunder.

3.1.17 INSURANCE. Borrower has obtained and has delivered to Lender original or certified copies of all of the Policies, with all premiums prepaid thereunder, reflecting the insurance coverages, amounts and other requirements set forth in this Agreement. No claims have been made under any of the Policies, and no Person, including Borrower, has done, by act or omission, anything which would impair the coverage of any of the Policies.

3.1.18 LICENSES. To the best of Borrower's knowledge, all permits and approvals, including, without limitation, certificates of occupancy required by any Governmental Authority for the use, occupancy and operation of the Property in the manner in which the Property is currently being used, occupied and operated have been obtained and are in full force and effect.

3.1.19 FLOOD ZONE. Except as disclosed on the Survey, none of the Improvements on the Property is located in an area identified by the Federal Emergency Management Agency as a special flood hazard area.

3.1.20 PHYSICAL CONDITION. Except as set forth in any property condition or engineering report delivered to and reviewed by Lender in connection with the Loan, and, to Borrower's knowledge, the Property, including, without limitation, all buildings, improvements, parking facilities, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems, electrical systems, equipment, elevators, exterior sidings and doors, landscaping, irrigation systems and all structural components, are in good condition, order and repair in all material respects; except as set forth in any property condition or engineering report delivered to and reviewed by lender in connection with the Loan, and, to Borrower's knowledge, there exists no structural or other material defects or damages in the Property, whether latent or otherwise, and Borrower has not received notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or of any termination or threatened termination of any policy of insurance or bond.

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3.1.21 BOUNDARIES. Except as set forth in the Survey and in Lender's Title Insurance policy, all of the improvements which were included in determining the appraised value of the Property lie wholly within the boundaries and building restriction lines of the Property, and no improvements on adjoining properties encroach upon the Property, and no easements or other encumbrances affecting the Property encroach upon any of the improvements, so as to affect the value or marketability of the Property except those which are insured against by Title Insurance each of which, whether or not insured are shown on the Survey.

3.1.22 LEASES. Borrower represents and warrants to Lender with respect to the Leases that: (a) the rent roll attached hereto as Schedule I is true, complete and correct and the Property is not subject to any Leases other than the Leases described in Schedule I, (b) the Leases identified on Schedule I are in full force and effect and there are no defaults thereunder by either party except as otherwise set forth in an estoppel certificate executed by the applicable Tenant delivered to Lender prior to the date hereof, (c) the copies of the Leases delivered to Lender are true and complete in all material respects, and there are no oral agreements with respect thereto except as otherwise set forth in an estoppel certificate executed by the applicable Tenant delivered to Lender prior to the date hereof, (d) no Rent (including security deposits) has been paid more than one (1) month in advance of its due date except as otherwise set forth in an estoppel certificate executed by the applicable Tenant delivered to Lender prior to the date hereof, (e) all work to be performed by Borrower under each Lease has been performed as required and has been accepted by the applicable Tenant except as otherwise set forth in an estoppel certificate executed by the applicable Tenant delivered to Lender prior to the date hereof, (f) any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Borrower to any Tenant has already been received by such Tenant except as otherwise set forth in an estoppel certificate executed by the applicable Tenant delivered to Lender prior to the date hereof, (g) all security deposits are being held in accordance with Legal Requirements, (h) neither the landlord nor any Tenant is in default under any of the Leases except as otherwise set forth in an estoppel certificate executed by the applicable Tenant delivered to Lender prior to the date hereof; (i) Borrower has no knowledge of any notice of termination or default with respect to any Lease; (j) Borrower has not assigned or pledged any of the Leases, the rents or any interests therein except to Lender; (k) no Tenant or other party has an option or right of first refusal or offer, to purchase all or any portion of the Property (other than the Stop and Shop Lease, which right of first refusal has been waived by Stop and Shop pursuant to that certain Notice of Waiver of Right of First Refusal dated October 28, 2004); (l) no Tenant has the right to terminate its Lease prior to expiration of the stated term of such Lease; and (m) all existing Leases are subordinate to the Mortgage either pursuant to their terms or a recordable subordination agreement delivered concurrently herewith, or delivered hereafter as approved by Lender.

3.1.23 FILING AND RECORDING TAXES. All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid under applicable Legal Requirements in connection with the transfer of the Property to Borrower have been paid or are being paid simultaneously herewith. All mortgage, mortgage recording, stamp, intangible or

other similar tax required to be paid under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents, including, without limitation, the Mortgage, have been paid or are being paid simultaneously

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herewith. All taxes and governmental assessments due and owing in respect of the Property have been paid, or an escrow of funds in an amount sufficient to cover such payments has been established hereunder.

3.1.24 SINGLE PURPOSE. Borrower hereby represents and warrants to, and covenants with, Lender that as of the date hereof and until such time as the Debt shall be paid in full, Borrower has not at any time, does not presently, and shall not:

(a) own any asset or property other than (i) the Property, and (ii) incidental personal property necessary for the ownership or operation of the Property;

(b) engage in any business other than the ownership, management and operation of the Property or fail to conduct and operate its business as presently conducted and operated;

(c) enter into any contract or agreement with any Affiliate of 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) incur any Indebtedness other than (i) the Debt, (ii) unsecured trade payables and operational debt not evidenced by a note and in an aggregate amount not exceeding \$1,000,000.00 at any one time, and (iii) Indebtedness incurred in the financing of equipment and other personal property used on the Property with annual payments not exceeding \$500,000.00 in the aggregate; provided that any Indebtedness incurred pursuant to subclauses (ii) and (iii) shall be (x) paid within sixty (60) days of the date incurred and (y) incurred in the ordinary course of business. No Indebtedness other than the Debt may be secured (subordinate or pari passu) by the Property;

(e) make any loans or advances to any third party (including any Affiliate or constituent party), or acquire obligations or securities of its Affiliates;

(f) fail to remain solvent or fail to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall become due;

(g) fail to do all things necessary to observe organizational formalities and preserve its existence, and Borrower will not, nor will Borrower permit any constituent party to 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 reasonable prior consent of Lender in any manner that (i) violates the covenants set forth in this Section 3.1.24, or (ii) amends, modifies or otherwise changes any provision thereof that by its terms cannot be modified at any time when the Loan is outstanding or by its terms cannot be modified without Lender's consent;

(h) fail to maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates and any constituent party. Borrower's assets will not be listed as assets on the financial statement of any other Person, provided, however, that Borrower's

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assets may be included in a consolidated financial statement of its Affiliates provided that (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Borrower and such Affiliates and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person and (ii) such assets shall be listed on Borrower's own separate balance sheet. Borrower will file its own tax returns (to the extent Borrower is required to file any such tax returns) and will not file a consolidated federal income tax return with any Person other than Cedar Shopping Centers Inc. Borrower shall maintain its books, records, resolutions and agreements as official records;

(i) fail to be, or fail to hold itself out to the public as, a

legal entity separate and distinct from any other entity (including any Affiliate of Borrower or any constituent party of Borrower), fail to correct any known misunderstanding regarding its status as a separate entity, fail to conduct business in its own name, or fail to maintain and utilize separate stationery, invoices and checks bearing its own name, and Borrower shall not identify itself or any of its Affiliates as a division or part of the other;

(j) intentionally omitted;

(k) seek or effect the liquidation, dissolution, winding up, liquidation, consolidation or merger, in whole or in part, of Borrower nor permit any constituent party of Borrower to do any of the foregoing;

(l) commingle the funds and other assets of Borrower with those of any Affiliate or constituent party or any other Person, and will hold all of its assets in its own name;

(m) fail to 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 other Person;

(n) guarantee or become obligated for the debts of any other Person or hold itself out to be responsible for or have its credit available to satisfy the debts or obligations of any other Person;

(o) (i) If Borrower is a limited partnership or a limited liability company (other than a single member limited liability company), fail to cause each general partner or managing member (each, an "SPC PARTY") to be a corporation 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 3.1.24 as if such representation, warranty or covenant was made directly by such SPC Party. Upon the withdrawal or the disassociation of an SPC Party from Borrower, Borrower shall immediately appoint a new SPC Party whose articles of incorporation are substantially similar to those of such SPC Party and deliver a new non-consolidation opinion to the Rating Agency or Rating Agencies, as applicable, with respect to the new SPC Party and its equity owners;

(ii) If Borrower is a single member limited liability company, fail to have at least two (2) springing members, one of which, upon the dissolution of such sole member or the withdrawal or the disassociation of the sole member from Borrower, shall immediately become the sole member of Borrower, and the other of which shall become the sole member

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of Borrower if the first such springing member no longer is available to serve as such sole member.

(p) fail to cause there to be one duly appointed member of the board of directors who are provided by a nationally recognized company that provides professional independent directors (each, an "INDEPENDENT DIRECTOR") of Borrower reasonably satisfactory to Lender who shall not have been at the time of such individual's appointment or at any time while serving as a director of Borrower, and may not have been at any time during the preceding five years (i) a stockholder, director (other than as an Independent Director), officer, employee, partner, attorney or counsel of Borrower or any Affiliate of either of them, (ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with Borrower or any Affiliate (other than payment for services as an Independent Director), (iii) a Person or other entity controlling or under common control with any such stockholder, partner, customer, supplier or other Person, or (iv) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other Person. (For purposes of this subclause (p), the term "Affiliate" means any person controlling, under common control with, or controlled by the person in question; and the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, whether through ownership of voting securities, by contract or otherwise.) A natural person who satisfies the foregoing definition other than subparagraph (ii) shall not be disqualified from serving as an Independent Director if such individual is an independent director provided by a nationally-recognized company that provides professional independent directors and that also provides other corporate services in the ordinary course of its business. A natural person who otherwise satisfies the foregoing definition except for being the independent director of a "special purpose entity" affiliated with the borrower that does not own a direct or indirect equity interest in the borrower or any co-borrower shall not be disqualified from serving as an Independent Director of the SPC Party if such individual is at the time of initial appointment, or at any time while serving as a Independent Director of the SPC Party, an Independent Director of a "special purpose entity" affiliated with the Borrower or the SPC Party (other than any entity that owns a direct or indirect equity interest in borrower or any co-borrower) if such individual is an independent director provided by a

nationally-recognized company that provides professional independent directors. For purposes of this paragraph, a "special purpose entity" is an entity, whose organizational documents contain restrictions on its activities substantially similar to those set forth in the SPC Party's organizational documents.

(q) cause or permit the board of directors of Borrower to take any action which, under the terms of any certificate of incorporation, by laws or any voting trust agreement with respect to any common stock or under any organizational document of Borrower, requires a vote of the board of directors of each SPC Party and Borrower unless at the time of such action there shall be at least one (1) member who is an Independent Director.

(r) intentionally omitted.

(s) permit any Affiliate or constituent party independent access to its bank accounts.

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(t) fail to pay the salaries of its own employees (if any) from its own funds or fail to maintain a sufficient number of employees (if any) in light of its contemplated business operations.

(u) fail to compensate each of its consultants and agents from its funds for services provided to it and pay from its own assets all obligations of any kind incurred.

3.1.25 TAX FILINGS. To the extent required, Borrower has filed (or has 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. Borrower believes that its tax returns (if any) properly reflect the income and taxes of Borrower for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

3.1.26 SOLVENCY. Borrower (a) has not entered into the transaction or any Loan Document with the actual intent to hinder, delay, or defraud any creditor and (b) received reasonably equivalent value in exchange for its obligations under the Loan Documents. 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 Indebtedness and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such Indebtedness and liabilities 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).

3.1.27 FEDERAL RESERVE REGULATIONS. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of this Agreement or the other Loan Documents.

3.1.28 ORGANIZATIONAL CHART. The organizational chart attached as Schedule III hereto, relating to Borrower and certain Affiliates and other parties, is true, complete and correct on and as of the date hereof.

3.1.29 INVESTMENT COMPANY ACT. Borrower is not (a) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (b) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (c)

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subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

3.1.30 ACCESS/UTILITIES. Except as disclosed in the Survey,

all public utilities necessary to the continued use and enjoyment of the Property as presently used and enjoyed are located in the public right-of-way abutting the Property. All roads necessary for the full utilization of the Property for its current purpose have been completed and dedicated to public use and accepted by all governmental authorities or are the subject of access easements for the benefit of the Property.

3.1.31 NO BANKRUPTCY FILING. Borrower is not contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidation of its assets or property, and Borrower does not have any knowledge of any Person contemplating the filing of any such petition against it.

3.1.32 FULL AND ACCURATE DISCLOSURE. To the best of Borrower's knowledge, no information contained in this Agreement, the other Loan Documents, or any written statement furnished by or on behalf of Borrower pursuant to the terms of this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. There is no fact or circumstance presently known to Borrower which has not been disclosed to Lender and which will have a Material Adverse Effect.

3.1.33 FOREIGN PERSON. Borrower is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code.

3.1.34 NO CHANGE IN FACTS OR CIRCUMSTANCES; DISCLOSURE. To the best of Borrower's knowledge, there has been no material adverse change in any condition, fact, circumstance or event that would make the financial statements, rent rolls, reports, certificates or other documents submitted in connection with the Loan inaccurate, incomplete or otherwise misleading in any material respect or that otherwise materially and adversely affects the business operations or the financial condition of Borrower or the Property.

3.1.35 PERFECTION OF ACCOUNTS. Borrower hereby represents and warrants to Lender that:

(a) This Agreement, together with the other Loan Documents, create a valid and continuing security interest (as defined in the Uniform Commercial Code) in the Accounts (as defined in the Cash Management Agreement) in favor of Lender, which security interest is prior to all other Liens, and is enforceable as such against creditors of and purchasers from Borrower. Other than in connection with the Loan Documents, Borrower has not sold or otherwise conveyed the Accounts;

(b) The Accounts constitute "deposit accounts" or "securities accounts" within the meaning of the Uniform Commercial Code, as set forth in the Cash Management Agreement;

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(c) Pursuant to the Cash Management Agreement, Agent has agreed to comply with all instructions originated by Lender, without further consent by Borrower, directing disposition of the Accounts and all sums at any time held, deposited or invested therein, together with any interest or other earnings thereon, and all proceeds thereof (including proceeds of sales and other dispositions), whether accounts, general intangibles, chattel paper, deposit accounts, instruments, documents or securities; and

(d) The Accounts are not in the name of any Person other than Borrower, as pledgor, or Lender, as pledgee. Borrower has not consented to Agent's complying with instructions with respect to the Accounts from any Person other than Lender.

3.1.36 INTENTIONALLY OMITTED.

3.1.37 INTENTIONALLY OMITTED.

3.1.38 PATRIOT ACT.

(a) None of Borrower, any of its constituents or Affiliates, and to the best of Borrower's knowledge, any of its brokers or other agents acting or benefiting in any capacity in connection with the Loan is a Prohibited Person.

(b) None of Borrower, any of its constituents or Affiliates, or, to Borrower's knowledge, any of its brokers or other agents acting in any capacity in connection with the Loan, (i) has conducted or will conduct any business or has engaged or will engage in any transaction or dealing with any Prohibited Person, including making or receiving any contribution of funds, goods or services to or for the benefit of any Prohibited Person, (ii) has dealt or will deal in, or otherwise has engaged or will engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; or (iii) has engaged or will engage in or has conspired or will

conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order or the Patriot Act.

(c) Borrower covenants and agrees to deliver to Lender any certification or other evidence requested from time to time by Lender in its reasonable discretion, confirming Borrower's compliance with this Section 3.1.38.

SECTION 3.2 SURVIVAL OF REPRESENTATIONS.

The representations and warranties set forth in Section 3.1 shall survive for so long as any amount remains payable to Lender under this Agreement or any of the other Loan Documents.

IV. BORROWER COVENANTS

SECTION 4.1 BORROWER AFFIRMATIVE COVENANTS.

Borrower hereby covenants and agrees with Lender that:

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4.1.1 EXISTENCE; COMPLIANCE WITH LEGAL REQUIREMENTS. Borrower shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and franchises and comply with all Legal Requirements applicable to it and the Property.

4.1.2 TAXES AND OTHER CHARGES. Except as otherwise provided herein, Borrower shall pay all Taxes and Other Charges now or hereafter levied or assessed or imposed against the Property or any part thereof as the same become due and payable; provided, however, Borrower's obligation to directly pay Taxes shall be suspended for so long as Borrower complies with the terms and provisions of Section 6.2 hereof. Borrower shall furnish to Lender receipts for the payment of the Taxes and the Other Charges prior to the date the same shall become delinquent; provided, however, that Borrower is not required to furnish such receipts for payment of Taxes in the event that such Taxes have been paid by Lender pursuant to Section 6.2 hereof. Borrower shall not permit or suffer and shall promptly discharge any lien or charge against the Property. After prior notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, conducted in good faith and with due diligence, the amount or validity of any Taxes or Other Charges, provided that (a) no Default or Event of Default has occurred and remains uncured; (b) such proceeding shall be permitted under and be conducted in accordance with all applicable statutes, laws and ordinances; (c) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost; (d) Borrower shall promptly upon final determination thereof pay the amount of any such Taxes or Other Charges, together with all costs, interest and penalties which may be payable in connection therewith; (e) such proceeding shall suspend the collection of Taxes or Other Charges from the Property; (f) Borrower shall deposit with Lender cash, or other security as may be reasonably approved by Lender, in an amount equal to one hundred twenty-five percent (125%) of the contested amount, to insure the payment of any such Taxes or Other Charges, together with all interest and penalties thereon; and (g) such contest by Borrower is not in violation of Leases or Operating Agreements. Lender may pay over any such cash or other security held by Lender to the claimant entitled thereto at any time when, in the judgment of Lender, the entitlement of such claimant is established.

4.1.3 LITIGATION. Borrower shall give prompt notice to Lender of any litigation or governmental proceedings pending or, upon discovery by Borrower, threatened against Borrower which if adversely determined would have a Material Adverse Effect.

4.1.4 ACCESS TO PROPERTY. Borrower shall permit agents, representatives and employees of Lender to inspect the Property or any part thereof at reasonable hours upon reasonable advance notice, provided that such inspection is conducted in a manner that minimizes interference with Tenants and the operation of the Property.

4.1.5 INTENTIONALLY OMITTED.

4.1.6 FINANCIAL REPORTING.

(a) GAAP. Borrower shall keep and maintain or shall cause to be kept and maintained, consistent with GAAP (or any other accounting basis that is reasonably acceptable to Lender) proper and accurate books, records and accounts reflecting all of the financial affairs of Borrower and all items of

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income and expense in connection with the operation on an individual basis of the Property. All financial statements delivered to Lender consistent with this Section 4.1.6 shall be prepared consistent with GAAP in the United States of America as in effect on the date so indicated and consistently applied.

(b) Monthly Reports. Prior to a Securitization, within thirty (30) days after the end of each calendar month, if requested by Lender Borrower, shall furnish to Lender a current (as of the calendar month just ended) balance sheet, a detailed operating statement (showing monthly activity and year to date) stating gross income from operations, operating expenses, for the calendar month just ended, a rent roll for the subject month and, as requested by Lender, any other documentation supporting the information disclosed in the most recent financial statements. In addition, such statement shall also be accompanied by (i) a calculation reflecting the Debt Service Coverage Ratio as of the last day of such month for such month and (ii) a certificate of an officer of Borrower or the general partner of Borrower stating that the representations and warranties of Borrower set forth in Section 3.1.24 are true and correct as of the date of such certificate and that there are no trade payables outstanding for more than sixty (60) days.

(c) Quarterly Reports. Within forty five (45) days after the end of each calendar quarter, Borrower shall furnish to Lender a detailed operating statement (showing quarterly activity and year to date) stating gross income and operating expenses for the calendar quarter just ended and a balance sheet (which also reports capital expenditures) for such quarter for Borrower. Borrower's quarterly statements shall be accompanied by (i) a current rent roll for the Property and (ii) a summary report for the most recently completed calendar year of aggregate sales by tenants under Leases of the Property, to the extent such information is provided by Tenants and/or required under the their Leases, and (iii) a certificate executed by an officer of Borrower or the general partner of Borrower stating that each such quarterly statement presents fairly the financial condition and the results of operations of the Borrower and the Property and has been prepared consistent with general accepted accounting principles.

(d) Annual Reports. Within seventy five (75) days after the end of each calendar year of Borrower's operation of the Property, Borrower will furnish to Lender a complete copy of Borrower's annual financial statements prepared by Borrower (or, if required by Lender, audited by Ernst & Young LLP or other firm of independent certified public accountants acceptable to Lender), consistent with GAAP for such calendar year which financial statements shall contain a balance sheet, a detailed operating statement stating gross income, operating expenses for each of Borrower and the Property. Borrower's annual financial statements shall be accompanied by (i) a certificate executed by an officer of Borrower or the managing member of Borrower stating that each such annual financial statement presents fairly the financial condition and the results of operations of Borrower and the Property and has been prepared consistent with general accepted accounting principles, and (ii) if required by Lender, an unqualified opinion of Ernst & Young LLP or other firm of independent certified public accountants acceptable to Lender (notwithstanding the foregoing, Borrower's financial statements may be consolidated with its Affiliates, provided that Borrower also provides appropriate schedules to report the amounts applicable to the Borrower and the Property).

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(e) Certification; Supporting Documentation. Each such financial statement shall be in scope and detail reasonably satisfactory to Lender and certified by an officer of Borrower.

(f) Additional Reports. Borrower shall deliver to Lender as soon as reasonably available but in no event later than thirty (30) days after such items become available to Borrower in final form:

(i) copies of any final engineering or environmental reports prepared for Borrower with respect to the Property;

(ii) a copy of any notice received by Borrower from any environmental authority having jurisdiction over the Property with respect to a violation of any environmental law applicable to the Property other than the Exxon Remediation;

(iii) a summary report containing each of the following with respect to the Property for the most recently completed calendar year: (A) aggregate sales by Tenants under Leases or other occupants of the Property (only to the extent such information is provided by Tenants, and/or required under Leases) and on a comparable store basis), (B) rent per square foot payable by each tenant and (C) aggregate occupancy of the Property by anchor space and in-line store space as of December 31; and

(iv) if requested by Lender, a summary report listing only Tenants and square footage occupied by such Tenants.

(g) Access. Lender shall have the right from time to time upon reasonable prior written notice to Borrower, at all times during normal business hours to examine such books, records and accounts at the office of Borrower or other Person maintaining such books, records and accounts and to make such copies or extracts thereof as Lender shall reasonably desire. After the occurrence of an Event of Default, Borrower shall pay any costs and expenses incurred by Lender to examine Borrower's records with respect to the Property, as Lender shall determine to be reasonably necessary or appropriate in the protection of Lender's interest.

(h) Format of Delivery. Any reports, statements or other information required to be delivered under this Agreement shall be delivered (i) in paper form, (ii) on a diskette, and (iii) if requested by Lender and within the capabilities of Borrower's data systems without change or modification thereto, in electronic form reasonably acceptable to Lender.

(i) Annual Budget. Borrower shall submit the Annual Budget to Lender not later than twenty (20) days prior to the commencement of each Fiscal Year.

(j) Other Required Information. Borrower shall furnish to Lender, within five (5) Business Days after request (or as soon thereafter as may be reasonably possible), such further detailed information with respect to the operation of the Property and the financial affairs of Borrower as may be reasonably requested by Lender, provided that Borrower has such information available.

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4.1.7 TITLE TO THE PROPERTY. Borrower will warrant and defend the validity and priority of the Liens of the Mortgage and the Assignment of Leases on the Property against the claims of all Persons whomsoever, subject only to Permitted Encumbrances.

4.1.8 ESTOPPEL STATEMENT.

(a) After request by Lender (not more than one (1) time in any calendar year provided no Event of Default exists), Borrower shall within ten (10) Business Days furnish Lender with a statement, duly acknowledged and certified, stating (i) the unpaid principal amount of the Note, (ii) the Interest Rate of the Note, (iii) the date installments of interest were last paid, (iv) any offsets or defenses to the payment of the Debt, if any, and (v) that this Agreement and the other Loan Documents have not been modified or if modified, giving particulars of such modification.

(b) Borrower shall endeavor to deliver to Lender, within forty-five (45) days after request, an estoppel certificate from each Tenant under any Lease (provided that Borrower shall only be required to use commercially reasonable efforts to obtain an estoppel certificate from any Tenant not required to provide an estoppel certificate under its Lease); provided that such certificate shall be in the form required under such Lease; provided further that Borrower shall not be required to deliver such certificates more frequently than two (2) times in any calendar year.

4.1.9 LEASES.

(a) All Leases and other rental arrangements shall in all material respects be approved by Lender and shall be on a standard Lease form previously approved by Lender with no modifications (except as approved by Lender). Such Lease form shall provide that (i) the Lease is subordinate to the Mortgage, (ii) the tenant shall attorn to Lender, and (iii) 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 in all material respects. Notwithstanding anything contained in the Loan Documents, Lender's approval shall not be required for future Leases, Lease modifications, or Lease extensions if the following conditions are satisfied: (A) no Event of Default has occurred and is continuing; (B) the Lease is on the standard Lease form approved by Lender with no modifications except for commercially reasonable modifications agreed to in the ordinary course of Borrower's business, but in no event shall there be any material modifications to the subordination, attornment, estoppel and landlord liability clauses of such Lease without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed; (C) the Lease does not violate any restrictive covenant affecting the Property or any other Lease for space in the Property; (D) the Lease is not a Major Lease; (E) the Lease shall provide for rental rates and landlord concessions comparable to existing local market rates and shall be an arms length transaction and in no event be with an

Affiliate of Borrower; (F) the Lease shall be to a tenant which Borrower, in its professional and commercially reasonable judgment, has determined is creditworthy; and (G) the Lease is for a term of not more than ten (10) years

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(exclusive of renewal options, which together with the initial lease term shall not exceed fifteen (15) years). Lender shall execute and deliver a Subordination Non-Disturbance and Attornment Agreement in the form annexed hereto as Schedule IV to Tenants under future Major Lease approved by Lender promptly upon request with such commercially reasonable changes as may be requested by Tenants, from time to time, and which are reasonably acceptable to Lender.

(b) Borrower (i) shall perform the obligations which Borrower is required to perform under the Leases; (ii) shall enforce the obligations to be performed by the tenants; (iii) 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; (iv) 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 months rent; (v) shall not enter into any ground Lease or master Lease of any part of the Property; (vi) shall not further assign or encumber any Lease; (vii) shall not, except with Lender's prior written consent, cancel or accept surrender or termination of any Lease, except as expressly set forth in Section 4.1.9(c) hereof, and (viii) any Lease termination or cancellation fees shall be paid to Lender and held in the Rollover Fund. Any action in violation of clauses (v), (vi), (vii), and (viii) of this Section 4.1.9(b) shall be void at the election of Lender.

(c) Notwithstanding anything to the contrary contained herein, Borrower shall have the right to terminate any Lease which is not a Major Lease, provided such termination is (i) commercially reasonable, (ii) made in accordance with Borrower's reasonable business judgment, and (iii) the Lease so terminated is replaced with a Lease which otherwise complies with the requirements set forth in this Section 4.1.9.

(d) Notwithstanding anything to the contrary contained in this Section 4.1.9, whenever Lender's approval or consent is required pursuant to the provisions of this Section 4.1.9 for any matter that Lender has not previously approved, Lender shall respond within ten (10) Business Days after Lender's receipt of Borrower's written request for such approval or consent. If Lender fails to respond to such request within five (5) Business Days, and Borrower sends a second request containing a legend in bold letters stating that Lender's failure to respond within five (5) Business Days shall be deemed consent or approval, Lender shall be deemed to have approved or consented to the matter for which Lender's consent or approval was sought if Lender fails to respond to such second written request before the expiration of such second five (5) Business Days period.

4.1.10 ALTERATIONS. Lender's prior approval shall be required in connection with any alterations to any Improvements (except tenant improvements under any Lease approved by Lender or under any Lease for which approval was not required by Lender under this Agreement) (a) adversely affecting structural components of the Property, utilities, HVAC or the exterior of the building, (b) that may have a Material Adverse Effect or (c) the cost of which (including any related alteration, improvement or replacement) is reasonably anticipated to exceed the Alteration Threshold, which approval may be granted or withheld in Lender's reasonable discretion. If the total unpaid amounts incurred and to be incurred with respect to such alterations to the Improvements shall at any time exceed the Alteration Threshold, Borrower shall promptly deliver to Lender as security for the payment of such amounts and as

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additional security for Borrower's obligations under the Loan Documents any of the following selected by Borrower: (i) cash, (ii) Letters of Credit, (iii) U.S. Obligations, (iv) other securities reasonably acceptable to Lender, provided that Lender shall have received a Rating Agency Confirmation as to the form and issuer of same, or (v) a completion bond, provided that Lender shall have received a Rating Agency Confirmation as to the form and issuer of same. Such security shall be in an amount equal to the excess of the total unpaid amounts incurred and to be incurred with respect to such alterations to the Improvements (other than such amounts to be paid or reimbursed by Tenants under the Leases) over the Alteration Threshold.

4.1.11 INTENTIONALLY OMITTED.

4.1.12 MATERIAL AGREEMENTS. Borrower shall (a) promptly perform and/or observe all of the material covenants and agreements required to be performed and observed by it under each Material Agreement and Operating Agreement to which it is a party, and do all things necessary to preserve and to

keep unimpaired its rights thereunder, (b) promptly notify Lender in writing of the giving of any notice of any default by any party under any Material Agreement and Operating Agreement of which it is aware which has a Material Adverse Effect on Borrower or the Property and (c) promptly enforce the performance and observance of all of the material covenants and agreements required to be performed and/or observed by the other party under each Material Agreement and Operating Agreement to which it is a party in a commercially reasonable manner.

4.1.13 PERFORMANCE BY BORROWER. Borrower shall in a timely manner observe, perform and fulfill each and every covenant, term and provision of each Loan Document executed and delivered by Borrower, and shall not enter into or otherwise suffer or permit any amendment, waiver, supplement, termination or other modification of any Loan Document executed and delivered by Borrower without the prior consent of Lender.

4.1.14 INTENTIONALLY OMITTED.

4.1.15 BUSINESS AND OPERATIONS. Borrower will continue to engage in the businesses currently conducted by it as and to the extent the same are necessary for the ownership and leasing of the Property. Borrower will qualify to do business and will remain in good standing under the laws of each jurisdiction as and to the extent the same are required for the ownership and leasing of the related Property. Borrower shall at all times cause the Property to be maintained as a commercial retail shopping center.

4.1.16 LOAN FEES. Borrower shall pay all fees and costs (including, without limitation, all origination and commitment fees) required of Borrower pursuant to the terms of that certain term sheet between Cedar Shoppings Center Partnership, L.P. and Lender dated September 30, 2004.

4.1.17 INTENTIONALLY OMITTED.

4.1.18 HANDICAPPED ACCESS.

(a) Borrower covenants and agrees that the Property shall at all times comply to the extent applicable with the requirements of the Americans with Disabilities Act of 1990, the Fair Housing Amendments Act of 1988, all

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state and local laws and ordinances related to handicapped access and all rules, regulations, and orders issued pursuant thereto including, without limitation, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (collectively, "ACCESS LAWS").

(b) Notwithstanding any provisions set forth herein or in any other document regarding Lender's approval of alterations of the Property, Borrower shall not alter the Property in any manner which would materially increase Borrower's responsibilities for compliance with the applicable Access Laws without the prior written approval of Lender. The foregoing shall apply to tenant improvements constructed by Borrower or by any of its tenants. Lender may condition any such approval upon receipt of a certificate of Access Law compliance from an architect, engineer, or other person acceptable to Lender.

(c) Borrower covenants and agrees to give prompt notice to Lender of the receipt by Borrower of any complaints related to violation of any Access Laws and of the commencement of any proceedings or investigations which relate to compliance with applicable Access Laws.

4.1.19 INTENTIONALLY OMITTED.

4.1.20 NOTICE OF CERTAIN EVENTS. Borrower shall promptly notify Lender of (a) any Event of Default, together with a detailed statement of the steps being taken to cure such Default or Event of Default; (b) any notice of default received by Borrower under other obligations relating to the Property or otherwise material to Borrower's business which, if determined adversely, would have a Material Adverse effect on Borrower or the Property; and (c) any threatened or pending legal, judicial or regulatory proceedings, including any dispute between Borrower and any Governmental Authority, affecting Borrower or the Property.

4.1.21 FURTHER ASSURANCES. Borrower shall, at Borrower's sole cost and expense, promptly (a) cure any defects in the execution and delivery of the Loan Documents, (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, or to make any recordings, file any notices, or obtain any consents, as may be necessary or appropriate in connection therewith provided such documents do not increase Borrower's monetary obligations or decrease Borrower's rights hereunder and (c) do all such further lawful and reasonable acts, conveyances and assurances for the better and more effectively carrying out of the intents and purposes of this Agreement and the other Loan Documents as Lender shall

reasonably require from time to time, provided such documents do not increase Borrower's monetary obligations or decrease Borrower's rights hereunder. Upon the occurrence and during the continuation of an Event of Default, 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, at law and in equity, including without limitation such rights and remedies available to Lender pursuant to Sections 10.2, 10.3, and 10.4.

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4.1.22 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 Property for the purpose of taxation, (b) affecting any Lien on the Property, 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, other than income, franchise or doing business taxes, 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 without any prepayment penalty or fee.

4.1.23 STOP AND SHOP ESTOPPEL. On or before May 5, 2006, Borrower shall deliver evidence that Stop and Shop has commenced paying the unabated annual fixed rent set forth in the Stop and Shop Third Lease Amendment. If Borrower fails to comply with the provisions of this Section 4.1.23, then Borrower shall deliver the Additional Collateral to Lender to be held by Lender as additional security for the Loan to be deposited in an Account and maintained by Lender pursuant to the Cash Management Agreement. At the request of Lender, Borrower shall agree to reasonable amendments to the Cash Management Agreement to reflect that the deposit of the Additional Collateral and provide any and all other documentation reasonably required to perfect Lender's security interest in the Additional Collateral. Any and all income earned on the Additional Collateral shall inure to the benefit of Borrower.

SECTION 4.2 BORROWER NEGATIVE COVENANTS.

Borrower covenants and agrees with Lender that:

4.2.1 LIENS. Subject to Borrower's right to contest in accordance with the express terms set forth in this Agreement, Borrower shall not create, incur, assume or suffer to exist any Lien on any portion of the Property except for Permitted Encumbrances.

4.2.2 DISSOLUTION. Except as expressly set forth in this Agreement, Borrower shall not (a) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity, (b) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of the property or assets of Borrower except to the extent expressly permitted by the Loan Documents, or (c) cause, permit or suffer any SPC Party to (i) dissolve, wind up or liquidate or take any action, or omit to take an action, as a result of which such SPC Party would be dissolved, wound up or liquidated in whole or in part, or (ii) amend, modify, waive or terminate the certificate of incorporation or bylaws of such SPC Party, in each case without obtaining the prior consent of Lender.

4.2.3 DEBT CANCELLATION. Borrower shall not cancel or otherwise forgive or release any claim or debt (other than termination of Leases in accordance herewith) owed to Borrower by any Person, except for adequate consideration and in the ordinary course of Borrower's business.

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4.2.4 ZONING. Borrower shall not initiate or consent to any zoning reclassification of any portion of the Property or seek any variance under any existing zoning ordinance or use or permit the use of any portion of the Property in any manner that could result in such use becoming a non conforming use under any zoning ordinance or any other applicable land use law, rule or regulation, without the prior written consent of Lender, which shall not be unreasonably withheld, conditioned or delayed.

4.2.5 NO JOINT ASSESSMENT. Borrower shall not suffer, permit or initiate the joint assessment of the Property (a) with any other real property constituting a tax lot separate from the Property, and (b) with any portion of the Property which may be deemed to constitute personal property, or any other procedure whereby the lien of any taxes which may be levied against

such personal property shall be assessed or levied or charged to the Property.

4.2.6 PRINCIPAL PLACE OF BUSINESS. Borrower shall not change its principal place of business from the address set forth on the first page of this Agreement without first giving Lender thirty (30) days prior notice.

4.2.7 ERISA.

(a) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Note, this Agreement or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 4975 of the Code.

(b) Borrower shall deliver to Lender such certifications or other evidence from time to time throughout the term of the Loan, as requested by Lender in its sole discretion, that (i) Borrower is not an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a "plan" subject to Section 4975 of the Code, or a "governmental plan" within the meaning of Section 3(32) of ERISA; (ii) Borrower is not subject to any state statute regulating investments of, or fiduciary obligations with respect to, governmental plans; and (iii) one or more of the following circumstances is true:

(A) Equity interests in Borrower are publicly offered securities, within the meaning of 29 C.F.R. ss.2510.3-101(b) (2);

(B) Less than twenty-five percent (25%) of each outstanding class of equity interests in Borrower is held by "benefit plan investors" within the meaning of 29 C.F.R. ss.2510.3-101(f) (2); or

(C) Borrower qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. ss.2510.3-101(c) or (e).

4.2.8 MATERIAL AGREEMENTS. Borrower shall not, without Lender's reasonable consent: (a) enter into, surrender or terminate any Material Agreement or Operating Agreement to which it is a party (unless the other party thereto is in material default and the termination of such agreement would be commercially reasonable), (b) increase or consent to the increase of the amount of any charges under any Material Agreement or Operating Agreement to which it is a party, except as provided therein or on an arms-length basis and

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commercially reasonable terms; or (c) otherwise modify, change, supplement, alter or amend, or waive or release any of its rights and remedies under any Material Agreement or Operating Agreement to which it is a party in any material respect, except on an arms'-length basis and commercially reasonable terms.

4.2.9 INTENTIONALLY DELETED.

4.2.10 INTENTIONALLY OMITTED.

V. INSURANCE, CASUALTY AND CONDEMNATION

SECTION 5.1 INSURANCE.

5.1.1 INSURANCE POLICIES.

(a) Borrower shall obtain and maintain, or cause to be maintained, insurance for Borrower and the Property providing at least the following coverages:

(i) comprehensive all risk insurance on the Improvements and the personal property at the Property (A) in an amount equal to one hundred percent (100%) of the "Full Replacement Cost," which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation, but the amount shall in no event be less than the outstanding principal balance of the Loan; (B) containing an agreed amount endorsement with respect to the Improvements and personal property at the Property waiving all co-insurance provisions; (C) providing for no deductible in excess of Twenty Five Thousand and No/100 Dollars (\$25,000.00) for all such insurance coverage; and (D) containing an "Ordinance or Law Coverage" or "Enforcement" endorsement if any of the Improvements or the use of the Property shall at any time constitute legal non-conforming structures or uses. In addition, Borrower shall obtain: (y) if any portion of the Improvements is currently or at any time in the future located in a federally designated "special flood hazard area," flood hazard insurance in an amount equal to the lesser of (1) the

outstanding principal balance of the Note or (2) the maximum amount of such insurance 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 each may be amended or such greater amount as Lender shall require; and (z) earthquake insurance in amounts and in form and substance satisfactory to Lender in the event the Property is located in an area with a high degree of seismic activity, provided that the insurance pursuant to clauses (y) and (z) hereof shall be on terms consistent with the comprehensive all risk insurance policy required under this subsection (i).

(ii) commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Property, such insurance (A) to be on the so-called "occurrence" form with an occurrence limit of not less than One Million and No/100 Dollars (\$1,000,000.00) and an aggregate limit of not less than Two Million and No/100 Dollars (\$2,000,000.00); (B) to continue at not less than the aforesaid limit until required to be changed by Lender by reason of changed economic conditions making such

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protection inadequate; and (C) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an "if any" basis; (3) independent contractors; (4) blanket contractual liability for all legal contracts; and (5) contractual liability covering the indemnities contained in Article 9 of the Mortgage to the extent the same is available;

(iii) business income insurance (A) with loss payable to Lender; (B) covering all risks required to be covered by the insurance provided for in subsection (i) above for a period commencing at the time of loss for such length of time as it takes to repair or replace with the exercise of due diligence and dispatch; (C) containing an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and Personal Property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of twelve (12) months from the date that the Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period; and (D) in an amount equal to one hundred percent (100%) of the projected gross income from the Property for a period from the date of loss to a date (assuming total destruction) which is six (6) months from the date that the Property is repaired or replaced and operations are resumed. The amount of such business income insurance shall be determined prior to the date hereof and at least once each year thereafter based on Borrower's reasonable estimate of the gross income from the Property for the succeeding twelve (12) month period. Subject to Section 5.3.2 hereof, all proceeds payable to Lender pursuant to this subsection shall be held by Lender and shall be applied to the obligations secured by the Loan Documents from time to time due and payable hereunder and under the Note; provided, however, that nothing herein contained shall be deemed to relieve Borrower of its obligations to pay the obligations secured by the Loan Documents on the respective dates of payment provided for in the Note and the other Loan Documents except to the extent such amounts are actually paid out of the proceeds of such business income insurance;

(iv) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements, and only if the Property coverage form does not otherwise apply, (A) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability insurance policy; and (B) the insurance provided for in subsection (i) above written in a so-called builder's risk completed value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to subsection (i) above, (3) including permission to occupy the Property, and (4) with an agreed amount endorsement waiving co-insurance provisions;

(v) workers' compensation, subject to the statutory limits of the state in which the Property is located, and employer's liability insurance with a limit of at least One Million and No/100 Dollars (\$1,000,000.00) per accident and per disease per employee, and One Million and No/100 Dollars (\$1,000,000.00) for disease aggregate in respect of any work or operations on or about the Property, or in connection with the Property or its operation (if applicable);

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(vi) comprehensive boiler and machinery insurance, if applicable, in amounts as shall be reasonably required by Lender on terms consistent with the commercial property insurance policy required under subsection (i) above;

(vii) umbrella liability insurance in addition to primary coverage in an amount not less than \$10,000,000.00 per occurrence on terms consistent with the commercial general liability insurance policy required under subsection (ii) above and (viii) below;

(viii) motor vehicle liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence of One Million and No/100 Dollars (\$1,000,000.00);

(ix) so-called "dramshop" insurance or other liability insurance required in connection with the sale of alcoholic beverages, if served at the Property, and;

(x) If the commercial property and business income insurance policies required under subsections (i) and (iii) above do not cover perils of terrorism or acts of terrorism, Borrower shall maintain commercial property and business income insurance for loss resulting from perils and acts of terrorism on terms (including amounts) consistent with those required under subsections (i) and (iii) above; notwithstanding the foregoing, Borrower shall be required to obtain and maintain terrorism insurance in an amount not less than the amount of terrorism insurance that is available for an annual premium equal to two (2) times Borrower's then current premium for the "all-risk" insurance required under subsection (i) above (such limitation shall be referred to as the "TERRORISM CAP") for terrorism insurance that is at least equivalent to the existing terrorism insurance required under this Section 5.1.1(a) (x); provided, however, the Terrorism Cap shall not apply if (A) owners and/or operators of office buildings in the same class as the Property in Massachusetts are generally obtaining terrorism insurance, (B) lenders financing such office buildings in the same class as the Property in Massachusetts are generally requiring terrorism insurance as a condition of financing, or (C) Borrower Principal or any Affiliates of Borrower Principal or any transferee of Borrower Principal or any of its Affiliates, is obtaining terrorism insurance on any other properties in Massachusetts which any of the foregoing Persons own or operate. The claims paying ability rating of the insurer shall be consistent with the requirements of Section 5.1.2 hereof or, if no insurer of such claims paying ability rating is then issuing such terrorism insurance, the chosen insurer shall be the insurer which is offering such terrorism insurance and which has a claims paying ability rating the closest to that required by Section 5.1.2 hereof.

If perils of terrorism and acts of terrorism or other similar acts or events are hereafter excluded from Borrower's comprehensive all risk insurance policy or business income insurance coverage required under subsections (i) and (iii) above, Borrower shall obtain an endorsement to such policy, or a separate policy from an insurance provider which meets the requirements set forth in Section 5.1.2 below or is otherwise satisfactory to Lender, insuring against all such excluded acts or events in the amounts required for such coverage under subsections (i) and (iii) above, or such lesser amount as may be approved by Lender in its sole discretion. The endorsement or policy shall be in form and

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substance reasonably satisfactory to Lender and shall meet Rating Agency criteria for securitized loans.

(xi) upon sixty (60) days' notice, such other reasonable insurance and in such reasonable amounts as Lender from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against for property similar to the Property located in or around the region in which the Property is located.

(b) All insurance provided for in Section 5.1.1(a) shall be obtained under valid and enforceable policies (collectively, the "POLICIES" or, in the singular, the "POLICY") and, to the extent not specified above, shall be subject to the approval of Lender as to deductibles, loss payees and insureds. Not less than fifteen (15) days prior to the expiration dates of the Policies theretofore furnished to Lender, certificates of insurance evidencing the Policies accompanied by evidence satisfactory to Lender of payment of the premiums then due thereunder (the "INSURANCE PREMIUMS"), shall be delivered by Borrower to Lender.

(c) Any blanket insurance Policy shall specifically allocate

to the Property the amount of coverage from time to time required hereunder and shall otherwise provide the same protection as would a separate Policy insuring only the Property in compliance with the provisions of Section 5.1.1(a).

(d) All Policies of insurance provided for or contemplated by Section 5.1.1(a) shall be primary coverage and, except for the Policy referenced in Section 5.1.1(a)(v), shall name Borrower as the insured and Lender and its successors and/or assigns as the additional insured, as its interests may appear, and in the case of property damage, boiler and machinery, flood, earthquake and terrorism insurance, shall contain a so-called New York standard non contributing mortgagee clause in favor of Lender providing that the loss thereunder shall be payable to Lender. Borrower shall not procure or permit any of its constituent entities to procure any other insurance coverage which would be on the same level of payment as the Policies or would adversely impact in any way the ability of Lender or Borrower to collect any proceeds under any of the Policies.

(e) All Policies of insurance provided for in Section 5.1.1(a), except for the Policies referenced in Sections 5.1.1(a)(v) and (a)(viii), shall contain clauses or endorsements to the effect that:

(i) no act or negligence of Borrower, or anyone acting for Borrower, or of any Tenant or other occupant, or failure to comply with the provisions of any Policy, which might otherwise result in a forfeiture of the insurance or any part thereof, shall in any way affect the validity or enforceability of the insurance insofar as Lender is concerned;

(ii) the Policy shall not be canceled or permitted to lapse without at least thirty (30) days' written notice to Lender and any other party named therein as an additional insured and, shall not be materially changed (other than to increase the coverage provided thereby) without such a thirty (30) day notice; and

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(iii) Lender shall not be liable for any Insurance Premiums thereon or subject to any assessments thereunder.

(f) If at any time Lender is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Lender shall have the right, without notice to Borrower, to take such action as Lender deems necessary to protect its interest in the Property, including, without limitation, the obtaining of such insurance coverage as Lender in its sole discretion deems appropriate and all premiums incurred by Lender in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand and until paid shall be secured by the Mortgage and shall bear interest at the Default Rate.

(g) In the event of foreclosure of the Mortgage or other transfer of title to the Property in extinguishment in whole or in part of the Debt, all right, title and interest of Borrower in and to the Policies that are not blanket Policies then in force concerning the Property and all proceeds payable thereunder shall upon transfer of title to the Property vest in the purchaser at such foreclosure or Lender or other transferee in the event of such other transfer of title. 5.1.2 INSURANCE COMPANY. All Policies, excluding "flood hazard" and "earthquake" Policies provided for in Section 5.1.1(a)(i) hereof, shall be issued by financially sound and responsible insurance companies authorized to do business in the state in which the Property is located and having a claims paying ability rating of "A" or better by S&P and the equivalent rating by one of the other Rating Agencies.

SECTION 5.2 CASUALTY AND CONDEMNATION.

5.2.1 CASUALTY. If the Property shall sustain a Casualty, Borrower shall give prompt notice of such Casualty to Lender and shall promptly commence and diligently prosecute to completion the repair and restoration of the Property as nearly as possible to the condition the Property was in immediately prior to such Casualty (a "RESTORATION") and otherwise in accordance with Section 5.3, it being understood, however, that Borrower shall not be obligated to restore the Property to the precise condition of the Property prior to such Casualty provided the Property is restored, to the extent practicable, to be of at least equal value and of substantially the same character as prior to the Casualty. Borrower shall pay all costs of such Restoration whether or not such costs are covered by insurance. Lender may, but shall not be obligated to, make proof of loss if not made promptly by Borrower. In the event of a Casualty where the loss does not exceed the Restoration Threshold, Borrower may settle and adjust such claim; provided that (a) no Event of Default has occurred and is continuing and (b) such adjustment is carried out in a commercially reasonable and timely manner. In the event of a Casualty where the loss exceeds the Restoration Threshold or if an Event of Default then exists, Borrower may settle and adjust such claim only with the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed) and Lender shall have the

opportunity to participate, at Borrower's cost, in any such adjustments. Notwithstanding any Casualty, Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Agreement.

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5.2.2 CONDEMNATION. Borrower shall give Lender prompt notice of any actual or threatened Condemnation by any Governmental Authority of all or any part of the Property and shall deliver to Lender a copy of any and all papers served in connection with such proceedings. Borrower may settle and compromise the Condemnation only with prior written consent of Lender (which consent shall not be unreasonably withheld or delayed) and Lender shall have the opportunity to participate, at Borrower's cost, in any litigation and settlement discussions in respect thereof and Borrower shall from time to time deliver to Lender all instruments requested by Lender to permit such participation. Borrower shall, at its expense, diligently prosecute any such proceedings, and shall consult with Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings following an Event of Default that remains uncured. Lender is hereby irrevocably appointed as Borrower's attorney-in-fact, coupled with an interest, with exclusive power to collect, receive and retain any Award and to make any compromise or settlement in connection with any such Condemnation. Notwithstanding any Condemnation, Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Agreement. Lender shall not be limited to the interest paid on the Award by any Governmental Authority but shall be entitled to receive out of the Award interest at the rate or rates provided herein or in the Note. If the Property or any portion thereof is taken by any Governmental Authority, Borrower shall promptly commence and diligently prosecute the Restoration of the Property and otherwise comply with the provisions of Section 5.3. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the Award, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the Award, or a portion thereof sufficient to pay the Debt.

5.2.3 CASUALTY PROCEEDS. Notwithstanding the last sentence of Section 5.1.1(a) (iii) and provided no Event of Default then exists hereunder, proceeds received by Lender on account of the business interruption insurance specified in Section 5.1.1(a) (iii) above with respect to any Casualty shall be deposited by Lender directly into the Lockbox Account (as defined in the Cash Management Agreement) but (a) only to the extent it reflects a replacement for lost Rents that would have been due under Leases existing on the date of such Casualty, and (b) only to the extent necessary to fully make the disbursements required by Sections 3.3(a) (i) through (vi) of the Cash Management Agreement. All other such proceeds shall be held by Lender and disbursed in accordance with Section 5.3 hereof.

SECTION 5.3 DELIVERY OF NET PROCEEDS.

5.3.1 MINOR CASUALTY OR CONDEMNATION. If a Casualty or Condemnation has occurred to the Property and the Net Proceeds shall be less than the Restoration Threshold and the costs of completing the Restoration shall be less than the Restoration Threshold, and provided (a) no Event of Default shall have occurred and remain uncured and (b) the Casualty or Condemnation shall have occurred prior to the Maturity Date, the Net Proceeds will be promptly disbursed by Lender to Borrower. Promptly after receipt of the Net Proceeds, Borrower shall commence and satisfactorily complete with due diligence the Restoration in accordance with the terms of this Agreement. If any Net Proceeds are received by Borrower and may be retained by Borrower pursuant to the terms hereof, such Net Proceeds shall, until completion of the Restoration, be held in trust for Lender and shall be segregated from other funds of Borrower to be used to pay for the cost of Restoration in accordance with the terms hereof.

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5.3.2 MAJOR CASUALTY OR CONDEMNATION. (a) If a Casualty or Condemnation has occurred to the Property and the Net Proceeds are equal to or greater than the Restoration Threshold or the costs of completing the Restoration is equal to or greater than the Restoration Threshold, Lender shall make the Net Proceeds available for the Restoration, provided that each of the following conditions are met:

- (i) no Event of Default shall have occurred and be continuing;
- (ii) (A) in the event the Net Proceeds are insurance proceeds, less than thirty-five percent (35%) of the total floor area of the Improvements at the Property has been damaged, destroyed or rendered unusable as a result of such Casualty or (B) in the event the Net Proceeds are an Award, less than fifteen percent (15%) of the land

constituting the Property is taken, and such land is located along the perimeter or periphery of the Property, and no portion of the Improvements is the subject of the Condemnation;

(iii) Leases requiring payment of annual rent equal to sixty-five percent (65%) of the Gross Income from Operations received by Borrower during the twelve (12) month period immediately preceding the Casualty or Condemnation and all Major Leases shall remain in full force and effect during and after the completion of the Restoration without abatement of rent beyond the time required for Restoration, notwithstanding the occurrence of such Casualty or Condemnation;

(iv) Borrower shall commence the Restoration as soon as reasonably practicable (but in no event later than sixty (60) days after such Casualty or Condemnation, whichever the case may be, occurs) and shall diligently pursue the same to satisfactory completion;

(v) Lender shall be satisfied that any operating deficits and all payments of interest under the Note will be paid during the period required for Restoration from (A) the Net Proceeds, or (B) other funds of Borrower;

(vi) Lender shall be satisfied that the Restoration will be completed on or before the earliest to occur of (A) the date six (6) months prior to the Maturity Date, (B) the earliest date required for such completion under the terms of any Major Lease, (C) such time as may be required under applicable Legal Requirements in order to repair and restore the Property to the condition it was in immediately prior to such Casualty or to as nearly as possible the condition it was in immediately prior to such Condemnation, as applicable or (D) the expiration of the insurance coverage referred to in Section 5.1.1(a) (iii);

(vii) the Property and the use thereof after the Restoration will be in compliance with and permitted under all applicable Legal Requirements;

(viii) the Restoration shall be done and completed by Borrower in an expeditious and diligent fashion and in compliance with all applicable Legal Requirements;

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(ix) such Casualty or Condemnation, as applicable, does not result in the loss of legal access to the Property or the related Improvements;

(x) all Operating Agreements shall remain in full force and effect; and

(xi) After giving effect to such Restoration, the Debt Service Coverage Ratio for the Property shall be equal to the greater of (i) the Debt Service Coverage Ratio for the twelve (12) full calendar months immediately preceding the Closing Date, and (ii) the Debt Service Coverage Ratio for the Property for the twelve (12) full calendar months immediately preceding the Casualty or Condemnation of the Property.

(b) The Net Proceeds shall be paid directly to Lender and held by Lender in an interest-bearing account, which interest shall accrue for Borrower's benefit, and, until disbursed in accordance with the provisions of this Section 5.3.2, shall constitute additional security for the Debt. The Net Proceeds (including all interest earned thereon) shall be disbursed by Lender to, or as directed by, Borrower from time to time during the course of the Restoration, upon receipt of evidence reasonably satisfactory to Lender that (i) all requirements set forth in Section 5.3.2(a) have been satisfied, (ii) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the Restoration have been paid for in full, and (iii) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Property arising out of the Restoration which have not either been fully bonded to the satisfaction of Lender and discharged of record or in the alternative fully insured to the satisfaction of Lender by the title company issuing the Title Insurance Policy.

(c) All plans and specifications required in connection with the Restoration shall be subject to prior reasonable approval of Lender and an independent architect reasonably selected by Lender (the "CASUALTY CONSULTANT"). The plans and specifications shall require that the Restoration be completed in a first-class workmanlike manner at least equivalent to the quality and character of the original work in the Improvements (provided, however, that in the case of a partial Condemnation, the Restoration shall be done to the extent reasonably practicable after taking into account the consequences of such partial Condemnation), so that upon completion thereof, the Property shall be at

least equal in value and general utility to the Property prior to the damage or destruction; it being understood, however, that Borrower shall not be obligated to restore the Property to the precise condition of the Property prior to such Casualty provided the Property is restored, to the extent practicable, to be of at least equal value and of substantially the same character as prior to the Casualty. Borrower shall restore all Improvements such that when they are fully restored and/or repaired, such Improvements and their contemplated use fully comply with all applicable material Legal Requirements. The identity of the contractors, subcontractors and materialmen engaged in the Restoration, as well as the contracts under which they have been engaged, shall be subject to reasonable approval by Lender and the Casualty Consultant. All costs and expenses incurred by Lender in connection with recovering, holding and advancing the Net Proceeds for the Restoration including, without limitation, reasonable attorneys' fees and disbursements and the Casualty Consultant's fees and disbursements, shall be paid by Borrower.

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(d) In no event shall Lender be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as certified by the Casualty Consultant, less the Casualty Retainage. The term "CASUALTY RETAINAGE" shall mean, as to each contractor, subcontractor or materialman engaged in the Restoration, an amount equal to ten percent (10%) of the costs actually incurred for work in place as part of the Restoration, as certified by the Casualty Consultant, until the Restoration has been completed. The Casualty Retainage shall in no event, and notwithstanding anything to the contrary set forth above in this Section 5.3.2(d), be less than the amount actually held back by Borrower from contractors, subcontractors and materialmen engaged in the Restoration. The Casualty Retainage shall not be released until the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Section 5.3.2(d) and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate Governmental Authorities, and Lender receives evidence satisfactory to Lender that the costs of the Restoration have been paid in full or will be paid in full out of the Casualty Retainage; provided, however, that Lender will release the portion of the Casualty Retainage being held with respect to any contractor, subcontractor or materialman engaged in the Restoration as of the date upon which the Casualty Consultant certifies to Lender that the contractor, subcontractor or materialman has satisfactorily completed all work and has supplied all materials in accordance with the provisions of the contractor's, subcontractor's or materialman's contract, the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by Lender or by the title company issuing the Title Insurance Policy, and Lender receives an endorsement to the Title Insurance Policy insuring the continued priority of the lien of the Mortgage and evidence of payment of any premium payable for such endorsement. If required by Lender, the release of any such portion of the Casualty Retainage shall be approved by the surety company, if any, which has issued a payment or performance bond with respect to the contractor, subcontractor or materialman.

(e) Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(f) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the opinion of Lender in consultation with the Casualty Consultant, be sufficient to pay in full the balance of the costs which are estimated by the Casualty Consultant to be incurred in connection with the completion of the Restoration, Borrower shall deposit the deficiency (the "NET PROCEEDS DEFICIENCY") with Lender before any further disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Lender shall be held by Lender and shall be disbursed for costs actually incurred in connection with the Restoration on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this Section 5.3.2 shall constitute additional security for the Debt.

(g) The excess, if any, of the Net Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposited with Lender after the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Section 5.3.2, and the receipt by Lender of evidence satisfactory to Lender that all costs incurred in connection with the Restoration have been paid in full, shall be remitted by Lender to Borrower, provided no Event of Default shall have occurred and shall be continuing under any of the Loan Documents; provided, however, the amount of

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such excess returned to Borrower in the case of a Condemnation shall not exceed the amount of Net Proceeds Deficiency deposited by Borrower with the balance

being applied to the Debt in the manner provided for in subsection 5.3.2(h).

(h) All Net Proceeds not required (i) to be made available for the Restoration or (ii) to be returned to Borrower as excess Net Proceeds pursuant to Section 5.3.2(g) may be retained and applied by Lender toward the payment of the Debt, whether or not then due and payable, in such order, priority and proportions as Lender in its sole discretion shall deem proper, or, at the discretion of Lender, the same may be paid, either in whole or in part, to Borrower for such purposes as Lender shall designate, without prepayment premium or other penalty.

VI. RESERVE FUNDS

SECTION 6.1 REQUIRED REPAIR FUNDS.

6.1.1 DEPOSIT OF REQUIRED REPAIR FUNDS. Borrower shall perform the repairs at the Property as set forth on Schedule II hereto (such repairs hereinafter referred to as "REQUIRED REPAIRS") and shall complete each of the Required Repairs on or before the respective deadline for each repair as set forth on Schedule II. On the Closing Date, Borrower shall deposit with Lender the amount that is one hundred and twenty-five percent (125%) of the cost to perform such Required Repairs as set forth on Schedule II hereto to perform the Required Repairs. Amounts deposited pursuant to this Section 6.1.1 are referred to herein as the "REQUIRED REPAIR FUNDS."

6.1.2 RELEASE OF REQUIRED REPAIR FUNDS. With respect to any item of Required Repairs which has been completed, Lender shall disburse, or cause to be disbursed, to Borrower the Required Repair Funds upon satisfaction by Borrower of each of the following conditions: (a) Borrower shall submit a request for payment to Lender at least ten (10) days prior to the date on which Borrower requests such payment be made and specifies the Required Repairs to be paid, (b) on the date such request is received by Lender and on the date such payment is to be made, no Event of Default shall exist and remain uncured, (c) Lender shall have received a certificate from Borrower (i) stating that all Required Repairs to be funded by the requested disbursement have been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements, such certificate to be accompanied by a copy of any license, permit or other approval by any Governmental Authority, if any, required in connection with the Required Repairs, (ii) identifying each Person that supplied materials or labor in connection with the Required Repairs to be funded by the requested disbursement, and (iii) stating that each such Person has been paid in full or will be paid in full upon such disbursement, such certificate to be accompanied by lien waivers or other evidence of payment satisfactory to Lender, (d) at Lender's option, a title search for the Property indicating that the Property is free from all liens, claims and other encumbrances not previously approved by Lender, (e) at Lender's option, if the cost of the Required Repairs exceeds Twenty-Five Thousand and No/100 Dollars (\$25,000.00), Lender shall have received a report satisfactory to Lender in its reasonable discretion from an architect or engineer approved by Lender in respect of such architect or engineer's inspection of the required repairs, and (f) Lender shall have received such other evidence as Lender shall reasonably request that the Required Repairs to be funded by the requested disbursement have been completed

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and are paid for or will be paid upon such disbursement to Borrower. Lender shall not be required to disburse Required Repair Funds more frequently than once each calendar month, and the requested disbursement must be at least in an amount equal to the Minimum Disbursement Amount (or a lesser amount if the total Required Repair Funds is less than the Minimum Disbursement Amount, in which case only one disbursement of the amount remaining in the account shall be made). Lender shall have the right, but not the obligation, to make any of the Required Repairs in the event Borrower fails to perform same in accordance with Section 6.1.1.

SECTION 6.2 TAX FUNDS.

6.2.1 DEPOSITS OF TAX FUNDS. On the Closing Date, Borrower shall deposit with Lender the amount of Twenty Nine Thousand Eight Hundred Forty Five and 90/100 Dollars (\$29,845.90) and there shall be deposited to the appropriate Accounts on each Monthly Payment Date an amount equal to one-twelfth of the Taxes that Lender estimates will be payable during the next ensuing twelve (12) months in order to accumulate sufficient funds to pay all such Taxes at least ten (10) days prior to their respective due dates. Amounts deposited pursuant to this Section 6.2.1 are referred to herein as the "TAX FUNDS." If at any time Lender reasonably determines that the Tax Funds will not be sufficient to pay the Taxes, Lender shall notify Borrower of such determination and the monthly deposits for Taxes shall be increased by the amount that Lender estimates is sufficient to make up the deficiency at least ten (10) days prior to the respective delinquent dates for the Taxes; provided that if Borrower receives notice of any deficiency after the date that is ten (10) days prior to the date that Taxes are due, Borrower will deposit such amount within two (2) Business Days after its receipt of such notice.

6.2.2 RELEASE OF TAX FUNDS. Unless an Event of Default has occurred and is continuing, Lender shall apply the Tax Funds to payments of Taxes. In making any payment relating to Taxes, Lender may do so according to any bill, statement or estimate procured from the appropriate public office (with respect to Taxes) without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. If the amount of the Tax Funds shall exceed the amounts due for Taxes, Lender shall, in its sole discretion, return any excess to Borrower or credit such excess against future payments to be made to the Tax Funds. Any Tax Funds remaining after the Debt has been paid in full shall be returned to Borrower.

SECTION 6.3 INSURANCE FUNDS.

6.3.1 DEPOSITS OF INSURANCE FUNDS. On the Closing Date, Borrower shall deposit with Lender the amount of Five Thousand Seven Hundred Thirty and No/100 Dollars (\$5,730.00) and there shall be deposited to the appropriate Accounts on each Monthly Payment Date an amount equal to one-twelfth of the Insurance Premiums that Lender estimates will be payable for the renewal of the coverage afforded by the Policies upon the expiration thereof in order to accumulate sufficient funds to pay all such Insurance Premiums at least thirty (30) days prior to the expiration of the Policies. Amounts deposited pursuant to this Section 6.3.1 are referred to herein as the "INSURANCE FUNDS". If at any time Lender reasonably determines that the Insurance Funds will not be sufficient to pay the Insurance Premiums, Lender shall notify Borrower of such determination and the monthly deposits for Insurance Premiums shall be increased

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by the amount that Lender estimates is sufficient to make up the deficiency at least thirty (30) days prior to expiration of the Policies.

6.3.2 RELEASE OF INSURANCE FUNDS. Unless an Event of Default has occurred and is continuing, Lender shall apply the Insurance Funds to payment of Insurance Premiums. In making any payment relating to Insurance Premiums, Lender may do so according to any bill, statement or estimate procured from the insurer or its agent, without inquiry into the accuracy of such bill, statement or estimate. If the amount of the Insurance Funds shall exceed the amounts due for Insurance Premiums, Lender shall return any excess to Borrower. Any Insurance Funds remaining after the Debt has been paid in full shall be returned to Borrower.

SECTION 6.4 CAPITAL EXPENDITURE FUNDS.

6.4.1 DEPOSITS OF CAPITAL EXPENDITURE FUNDS. On the Closing Date, Borrower shall deposit with Lender the amount of Two Thousand Five Hundred Fourteen and 16/100 Dollars (\$2,514.16) and there shall be deposited to the appropriate Accounts on each Monthly Payment Date, an amount equal to Two Thousand Five Hundred Fourteen and 16/100 Dollars (\$2,514.16) for annual Capital Expenditures approved by Lender, which approval shall not be unreasonably withheld or delayed; provided, however, Borrower shall have no obligation to make deposits under this Section 6.4.1 during any month in which the amount then on deposit in the appropriate Account is greater than or equal to \$250,000. Amounts deposited pursuant to this Section 6.4.1 are referred to herein as the "CAPITAL EXPENDITURE FUNDS." Lender may reassess its estimate of the amount necessary for capital expenditures from time to time and, and may require Borrower to increase the monthly deposits required pursuant to this Section 6.4.1 upon thirty (30) days notice to Borrower if Lender determines in its reasonable discretion that an increase is necessary to maintain proper operation of the Property.

6.4.2 RELEASE OF CAPITAL EXPENDITURE FUNDS.

(a) Lender shall disburse, or cause to be disbursed, Capital Expenditure Funds only for Capital Expenditures.

(b) Lender shall disburse, or cause to be disbursed, to Borrower the Capital Expenditure Funds upon satisfaction by Borrower of each of the following conditions: (i) Borrower shall submit a request for payment to Lender at least ten (10) days prior to the date on which Borrower requests such payment be made and specifies the Capital Expenditures to be paid, (ii) on the date such request is received by Lender and on the date such payment is to be made, no Event of Default shall exist and remain uncured, (iii) Lender shall have received a certificate from Borrower (A) stating that the items to be funded by the requested disbursement are Capital Expenditures, (B) stating that all Capital Expenditures at the Property to be funded by the requested disbursement have been completed in a good and workmanlike manner and in accordance with all applicable Legal Requirements, such certificate to be accompanied by a copy of any license, permit or other approval required by any Governmental Authority, if any, in connection with the Capital Expenditures, (C) identifying each Person that supplied materials or labor in connection with the Capital Expenditures to be funded by the requested disbursement, and (D) stating

that each such Person has been paid in full or will be paid in full upon such disbursement, such certificate to be accompanied by lien waivers or other evidence of payment satisfactory to Lender, (iv) at Lender's option, a title

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search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, (v) at Lender's option, if the cost of any individual Capital Expenditure exceeds Twenty Five Thousand and No/100 Dollars (\$25,000.00), Lender shall have received a report satisfactory to Lender in its reasonable discretion from an architect or engineer approved by Lender in respect of such architect or engineer's inspection of the required repairs, and (vi) Lender shall have received such other evidence as Lender shall reasonably request that the Capital Expenditures at the Property to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower. Lender shall not be required to disburse Capital Expenditure Funds more frequently than once each calendar month, and each disbursement must be at least an amount greater than the Minimum Disbursement Amount (or a lesser amount if the total amount of Capital Expenditure Funds is less than the Minimum Disbursement Amount, in which case only one disbursement of the amount remaining in the account shall be made).

(c) Nothing in this Section 6.4.2 shall (i) make Lender responsible for making or completing the Capital Expenditures Work; (ii) require Lender to expend funds in addition to the Capital Expenditure Funds to complete any Capital Expenditures Work; (iii) obligate Lender to proceed with the Capital Expenditures Work; or (iv) obligate Lender to demand from Borrower additional sums to complete any Capital Expenditures Work.

(d) Borrower shall permit Lender and Lender's agents and representatives (including, without limitation, Lender's engineer, architect, or inspector) or third parties to enter onto the Property during normal business hours (subject to the rights of Tenants under their Leases) to inspect the progress of any Capital Expenditures Work and all materials being used in connection therewith and to examine all plans and shop drawings relating to such Capital Expenditures Work. Any such inspection shall be conducted in a manner designed to minimize interference with Tenants or Borrower's operation of the Property. Borrower shall cause all contractors and subcontractors to cooperate with Lender or Lender's representatives or such other Persons described above in connection with inspections described in this Section 6.4.2(d).

SECTION 6.5 ROLLOVER FUNDS.

6.5.1 DEPOSITS OF ROLLOVER FUNDS. On the Closing Date, Borrower shall deposit with Lender the amount of Thirty Two Thousand and No/00 Dollars (\$32,000.00) and there shall be deposited to the appropriate Account on each Monthly Payment Date the sum of Thirty Two Thousand and No/00 Dollars (\$32,000.00), for tenant improvements and leasing commissions, lease cancellation fees, buy-out fees or a similar cost that may be incurred following the date hereof; provided, however, Borrower shall have no obligation to make deposits under this Section 6.5.1 during any month in which the amount then on deposit in the appropriate Account is greater than or equal to \$500,000. Amounts deposited pursuant to this Section 6.5.1 are referred to herein as the "ROLLOVER FUNDS."

6.5.2 RELEASE OF ROLLOVER FUNDS. Lender shall disburse, or cause to be disbursed, to Borrower the Rollover Funds upon satisfaction by Borrower of each of the following conditions: (a) Borrower shall submit a request for payment to Lender at least ten (10) days prior to the date on which Borrower requests such payment be made and specifies the tenant improvement

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costs and leasing commissions to be paid, (b) on the date such request is received by Lender and on the date such payment is to be made, no Event of Default shall exist and remain uncured, (c) subject to Section 4.1.9 hereof, Lender shall have reviewed and approved the Lease in respect of which Borrower is obligated to pay or reimburse certain tenant improvement costs and leasing commissions (to the extent approval is required pursuant to Section 4.1.9 hereof), (d) Lender shall have received and approved a budget for tenant improvement costs and a schedule of leasing commissions payments and the requested disbursement will be used to pay all or a portion of such costs and payments, (e) Lender shall have received a certificate from Borrower (i) stating that all tenant improvements at the Property to be funded by the requested disbursement have been completed in good and workmanlike manner and in accordance with all applicable federal, state and local laws, rules and regulations, such certificate to be accompanied by a copy of any license, permit or other approval by any Governmental Authority required in connection with the Capital Expenditures, (ii) identifying each Person that supplied materials or labor in connection with the tenant improvements to be funded by the requested disbursement, and (iii) stating that each such Person has been paid in full or

will be paid in full upon such disbursement, such certificate to be accompanied by lien waivers or other evidence of payment satisfactory to Lender, (f) at Lender's option, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender, (g) Lender shall have received an estoppel certificate from the applicable tenant stating that (i) all required work is complete and (ii) such tenant is in occupancy and paying full unabated rent or has taken possession of the demised premises, and (h) Lender shall have received such other evidence as Lender shall reasonably request that the tenant improvements at the Property to be funded by the requested disbursement have been completed and are paid for or will be paid upon such disbursement to Borrower. Lender shall not be required to disburse Rollover Funds more frequently than once each calendar month, and each disbursement must be in an amount greater than the Minimum Disbursement Amount (or a lesser amount if the total amount of Rollover Funds is less than the Minimum Disbursement Amount, in which case only one disbursement of the amount remaining in the account shall be made).

SECTION 6.6 INTENTIONALLY DELETED.

SECTION 6.7 SECURITY INTEREST IN RESERVE FUNDS.

6.7.1 GRANT OF SECURITY INTEREST. Borrower hereby pledges to Lender, and grants to Lender a security interest in, any and all monies now or hereafter deposited in the Reserve Funds as additional security for the payment of the Loan. The Reserve Funds shall be held in Lender's name and may be commingled with Lender's own funds at financial institutions selected by Lender in its sole discretion. Upon the occurrence of an Event of Default, Lender may apply any sums then present in the Reserve Funds to the payment of the Loan in any order in its sole discretion. Until expended or applied as above provided, the Reserve Funds shall constitute additional security for the Loan. Lender shall have no obligation to release any of the Reserve Funds while any Event of Default or Default then exists.

6.7.2 INTEREST ON RESERVE FUNDS. All interest or income earned on any and all funds on deposit in any of the Reserve Funds shall be accumulated for the benefit of Borrower.

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6.7.3 PROHIBITION AGAINST FURTHER ENCUMBRANCE. Borrower shall not, without the prior consent of Lender, further pledge, assign or grant any security interest in the Reserve Funds or permit any lien or encumbrance to attach thereto, or any levy to be made thereon, or any UCC-1 Financing Statements, except those naming Lender as the secured party, to be filed with respect thereto.

VII. PROPERTY MANAGEMENT SECTION

7.1 THE MANAGEMENT AGREEMENT.

Borrower shall cause Manager to manage the Property in accordance with the Management Agreement. Borrower shall (a) diligently perform and observe all of the terms, covenants and conditions of the Management Agreement on the part of Borrower to be performed and observed, (b) promptly notify Lender of any notice to Borrower of any default that has occurred and is continuing beyond expiration of applicable cure periods by Borrower in the performance or observance of any of the terms, covenants or conditions of the Management Agreement on the part of Borrower to be performed and observed, and (c) promptly deliver to Lender a copy of each financial statement, business plan, capital expenditures plan, report and estimate received by it under the Management Agreement. If Borrower shall default beyond expiration of applicable cure periods in the performance or observance of any material term, covenant or condition of the Management Agreement on the part of Borrower to be performed or observed, then, without limiting Lender's other rights or remedies under this Agreement or the other Loan Documents, and without waiving or releasing Borrower from any of its obligations hereunder or under the Management Agreement, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act as may be appropriate to cause all the material terms, covenants and conditions of the Management Agreement on the part of Borrower to be performed or observed.

SECTION 7.2 PROHIBITION AGAINST TERMINATION OR MODIFICATION.

Borrower shall not surrender, terminate, cancel, modify, renew, amend, or extend the Management Agreement, or enter into any other agreement relating to the management or operation of the Property with Manager or any other Person, or consent to the assignment by the Manager of its interest under the Management Agreement, in each case without the express written consent of Lender, which consent shall not be unreasonably withheld; provided, however, with respect to a new manager such consent may be conditioned upon Borrower delivering a Rating Agency Confirmation as to such new manager and management agreement and, if such new manager is an Affiliate of Borrower, upon delivery of a non-consolidation opinion acceptable to the Rating Agencies. If at any time

Lender consents to the appointment of a new manager, such new manager and Borrower shall, as a condition of Lender's consent, execute a subordination of management agreement in the form then used by Lender. Notwithstanding the foregoing, Borrower shall have the right to terminate the Management Agreement and enter into a new management agreement upon terms reasonably acceptable to Lender with the Approved Property Manager; provided, however, Borrower shall (i) pay all of Lender's expenses in connection therewith, and (ii) enter into an Assignment of Management Agreement with Lender similar to that which Lender and Manager have entered into as of the date hereof.

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SECTION 7.3 REPLACEMENT OF MANAGER.

Lender shall have the right to require Borrower to replace the Manager with a Person which is not an Affiliate of, but is chosen by, Borrower and approved by Lender upon the occurrence of any one or more of the following events: (a) at any time following the occurrence of an Event of Default, (b) if Manager shall be in default under the Management Agreement beyond any applicable notice and cure period and/or (c) if Manager becomes insolvent or is adjudicated bankrupt or if any petition for bankruptcy shall be filed against or consented to by Manager.

VIII. TRANSFERS

SECTION 8.1 PROHIBITED TRANSFER OR ENCUMBRANCE OF PROPERTY.

(a) Borrower shall not cause or permit a Sale or Pledge of the Property or any part thereof or any legal or beneficial interest therein nor permit a Sale or Pledge of an interest in any Restricted Party (in each case, a "PROHIBITED Transfer"), other than pursuant to Leases of space in the Improvements to Tenants in accordance with the provisions of Section 4.1.9, without the prior written consent of Lender.

(b) A Prohibited Transfer shall include, but not be limited to, (i) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; (ii) an agreement by Borrower leasing all or a substantial part of the 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, Borrower's right, title and interest in and to any Leases or any Rents; (iii) if a Restricted Party is a corporation, any merger, consolidation or Sale or Pledge of such corporation's stock or the creation or issuance of new stock in one or a series of transactions; (iv) if a Restricted Party is a limited or general partnership or joint venture, any merger or consolidation or the change, removal, resignation or addition of a general partner or the Sale or Pledge of the partnership interest of any general or limited partner or any profits or proceeds relating to such partnership interests or the creation or issuance of new partnership interests; (v) if a Restricted Party is a limited liability company, any merger or consolidation or the change, removal, resignation or addition of a managing member or non-member manager (or if no managing member, any member) or the Sale or Pledge of the membership interest of any member or any profits or proceeds relating to such membership interest; (vi) if a Restricted Party is a trust or nominee trust, any merger, consolidation or the Sale or Pledge of the legal or beneficial interest in a Restricted Party or the creation or issuance of new legal or beneficial interests; or (vii) the removal or the resignation of the Manager (including, without limitation, an Affiliated Manager) other than in accordance with Article VII.

(c) Notwithstanding the provisions of Section 8.1(b), the following transfers shall not be deemed to be a Prohibited Transfer: (i) a transfer by devise or descent or by operation of law upon the death of a member, partner or shareholder of a Restricted Party; (ii) the Sale or Pledge, in one or a series of transactions, of not more than forty-nine percent (49%) of the stock, limited partnership interests or non-managing membership interests (as the case may be) in a Restricted Party; provided, however, no such transfers shall result in a change in Control in the Restricted Party or change in control of the Property, and as a condition to each such transfer, Lender shall receive

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not less than twenty (20) days prior written notice of such proposed transfer, (iii) the sale, transfer, cancellation or issuance of stock or other securities of Cedar Shopping Centers, Inc., a Maryland corporation, provided such stock or other securities are listed on the New York Stock Exchange or such other nationally recognized stock exchange, (iv) transfers of direct or indirect membership interests in Borrower between any then existing I&G Fund to another I&G Fund, provided that (A) Borrower shall maintain its status as a single purpose, bankruptcy remote entity under criteria established by the Rating Agencies, (B) if after giving effect to such transfer and all prior transfers,

more than forty-nine percent (49%) in the aggregate of direct or indirect interests in Borrower are owned by any Person and its Affiliates that owned less than a forty nine percent (49%) direct or indirect interest in Borrower as of the Closing Date, Lender shall receive a non consolidation opinion acceptable to Lender and the Rating Agencies, (v) from and after a transfer pursuant to Sections 8.2.2(a) or (b), transfers amongst the then existing members of Cedar-Franklin Village 2 LLC of their direct membership interests in Cedar-Franklin Village 2 LLC, provided that (A) Borrower shall maintain its status as a single purpose, bankruptcy remote entity under criteria established by the Rating Agencies, (B) if after giving effect to such transfer and all prior transfers, more than forty-nine percent (49%) in the aggregate of direct or indirect interests in Borrower are owned by any Person and its Affiliates that owned less than a forty nine percent (49%) direct or indirect interest in Borrower as of the Closing Date, Lender shall receive a non consolidation opinion acceptable to Lender and the Rating Agencies and (vi) transfers of interests in the I&G Funds by investors in such I&G Funds.

(d) Lender reserves the right to condition the consent to a Prohibited Transfer requested hereunder upon (a) a modification of the terms hereof and on assumption of the Note and the other Loan Documents as so modified by the proposed Prohibited Transfer, (b) receipt of payment of a transfer fee equal to 0.5% of the outstanding principal balance of the Loan and all of Lender's expenses actually incurred in connection with such Prohibited Transfer, (c) receipt of Rating Agency Confirmation with respect to the transfer, (d) the proposed transferee's continued compliance with the covenants set forth in this Agreement (including, without limitation, the covenants in Section 3.1.24) and the other Loan Documents, (e) a new manager for the Property and a new management agreement satisfactory to Lender, (f) a new guaranty(ies) and environmental indemnity, substantially in the form of the Guaranty, Supplemental Guaranty, and Environmental Indemnity delivered contemporaneously with this Agreement, from guarantor(s) and indemnitor(s) satisfactory to Lender, and (g) the satisfaction of such other conditions and/or legal opinions as Lender shall determine in its sole discretion to be in the interest of Lender. All expenses incurred by Lender shall be payable by Borrower whether or not Lender consents to the Prohibited Transfer. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon a Prohibited Transfer made without Lender's consent. This provision shall apply to each and every Prohibited Transfer, whether or not Lender has consented to any previous Prohibited Transfer. Notwithstanding anything to the contrary contained in this Section 8.1(d), in the event a substantive non-consolidation opinion was delivered to Lender and the Rating Agencies in connection with the closing of the Loan, and if any Prohibited Transfer results in any Person and its Affiliates owning in excess of forty-nine percent (49%) of the ownership interests in a Restricted Party, Borrower shall, prior to such transfer, and in addition to any other requirement for Lender consent contained herein, deliver a revised substantive non-consolidation opinion to Lender reflecting such

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Prohibited Transfer, which opinion shall be in form, scope and substance acceptable in all respects to Lender and the Rating Agencies.

SECTION 8.2 PERMITTED TRANSFERS

8.2.1 PERMITTED TRANSFER OF THE PROPERTY

(a) Notwithstanding the provisions of Section 8.1, Borrower shall have a one-time right to sell or otherwise transfer the Property while the Loan or any portion thereof is outstanding, subject to the satisfaction of the following conditions:

- (i) no Event of Default shall have occurred and remain uncured;
- (ii) the proposed transferee ("TRANSFEE") shall be a Permitted Transferee and 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 Lender;
- (iii) the Transferee and its property manager shall have sufficient experience in the ownership and management of properties similar to the Property, and Lender shall be provided with reasonable evidence thereof (and Lender reserves the right to approve the Transferee without approving the substitution of the property manager);
- (iv) Lender shall have received Rating Agency Confirmation with respect to the transfer;
- (v) Lender shall have received evidence satisfactory to it (which shall include a legal non-consolidation opinion acceptable to Lender) that the single purpose nature and bankruptcy remoteness of Borrower its shareholders, partners, or members, as the case may be,

following such transfer are in accordance with the standards of the Rating Agencies;

(vi) the Transferee shall have executed and delivered to Lender an assumption agreement in form and substance acceptable to Lender, evidencing such Transferee's agreement to abide and be bound by the terms of the Note, the Mortgage and the other Loan Documents, together with such legal opinions and Title Insurance endorsements as may be reasonably requested by Lender; and

(vii) Lender shall have received on or prior to the date of the sale or transfer (A) an assumption fee equal to one-half of one percent (0.50%) of the then unpaid principal balance of the Note, (B) a rating confirmation fee for each of the Rating Agencies delivering a Rating Agency Confirmation pursuant to clause (iv) above, which confirmation fees shall be equal to the then customary fees charged by each applicable Rating Agency for such a confirmation and (C) the payment of all costs and expenses actually incurred by Lender and the Rating Agencies in connection with such assumption (including reasonable attorneys' fees and costs).

(viii) the Transferee shall comply with the provisions of Section 3.1.38 hereof.

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8.2.2 PERMITTED TRANSFER OF INTEREST IN BORROWER

(a) Notwithstanding the provisions of Section 8.1, Borrower and the holder of any direct or indirect owner of ownership interest in Borrower shall have the right to transfer of not more than an aggregate of 80% of the direct or indirect ownership interests in the Borrower to a Qualified Transferee, provided that (i) no Event of Default shall have occurred and be continuing, (ii) Borrower shall pay all out-of-pocket fees and expenses actually incurred by Lender in connection with such Transfer including, without limitation, the cost of any third party reports, reasonable legal fees and expenses, or required legal opinions, (iii) Lender shall have received thirty (30) days advance written notice from Borrower of such Transfer, (iv) Lender shall have received such documents, certificates and legal opinions as it may reasonably request, (v) if after giving effect to such Transfer and all prior transfers, more than forty-nine percent (49%) in the aggregate of direct or indirect interests in Borrower are owned by any Person and its Affiliates that owned less than a forty nine percent (49%) direct or indirect interest in Borrower as of the Closing Date, Lender shall receive a non consolidation opinion acceptable to Lender and the Rating Agencies (vi) Borrower shall maintain its status as a single purpose, bankruptcy remote entity under criteria established by the Rating Agencies, (vii) if after giving effect to such transfer and all prior transfers, more than forty-nine percent (49%) in the aggregate of direct or indirect interests in Borrower are proposed to be transferred, Lender shall have received a Rating Agency Confirmation, (viii) the Transferee shall comply with the provisions of Section 3.1.38 hereof and (ix) the Property is managed by an Approved Property Manager.

(b) Notwithstanding the provisions of Section 8.1, Borrower and the holder of any direct or indirect owner of ownership interest in Borrower shall have the right to transfer of not more than an aggregate of 80% of the direct or indirect ownership interests in the Borrower to one or more of the I&G Funds, provided that (i) no Event of Default shall have occurred and be continuing, (ii) Borrower shall pay all out-of-pocket fees and expenses actually incurred by Lender in connection with such Transfer including, without limitation, the cost of any third party reports, reasonable legal fees and expenses, or required legal opinions, (iii) Lender shall have received thirty (30) days advance written notice from Borrower of such Transfer, (iv) Lender shall have received such documents, certificates and legal opinions as it may reasonably request, (v) if after giving effect to such Transfer and all prior transfers, more than forty-nine percent (49%) in the aggregate of direct or indirect interests in Borrower are owned by any Person and its Affiliates that owned less than a forty nine percent (49%) direct or indirect interest in Borrower as of the Closing Date, Lender shall receive a non consolidation opinion acceptable to Lender and the Rating Agencies (vi) Borrower shall maintain its status as a single purpose, bankruptcy remote entity under criteria established by the Rating Agencies, (vii) the Transferee shall comply with the provisions of Section 3.1.38 hereof, (viii) Borrower provides an Officer's Certificate that as of the date of the transfer, the I&G Funds' net worth has not materially decreased since the date hereof and (ix) the Property is managed by an Approved Property Manager.

SECTION 8.3 SUBSTITUTE GUARANTOR.

Solely in connection with Transfers permitted pursuant to Sections 8.2.1, 8.1(c) (v) and 8.2.2, Borrower may substitute the Guarantor under the Guaranty, the Supplemental Guaranty and the Environmental Indemnity

(collectively, the "GUARANTIES") with another guarantor ("SUBSTITUTE GUARANTOR") provided that: (i) such Substitute Guarantor satisfies the requirements of a Qualified Transferee as of the date of the proposed substitution and is otherwise acceptable to Lender in its sole discretion; and (ii) such Substitute Guarantor executes the Guaranties, in the form identical to Guaranties executed by Guarantor as of the Closing Date. Upon such substitution in accordance with the provisions of this Section 8.3 the former Guarantor shall be released from any liability or other obligation under each of the Guaranties.

IX. SALE AND SECURITIZATION OF MORTGAGE SECTION

9.1 SALE OF MORTGAGE AND SECURITIZATION.

(a) Lender shall have the right (i) to sell or otherwise transfer the Loan or any portion thereof as a whole loan, (ii) to sell participation interests in the Loan or (iii) to securitize the Loan or any portion thereof in a single asset securitization or a pooled loan securitization. (The transactions referred to in clauses (i), (ii) and (iii) shall hereinafter be referred to collectively as "SECONDARY MARKET TRANSACTIONS" and the transaction referred to in clause (iii) shall hereinafter be referred to as a "SECURITIZATION." Any certificates, notes or other securities issued in connection with a Securitization are hereinafter referred to as "SECURITIES").

(b) If requested by Lender, at not material cost to Borrower, Borrower shall assist Lender in satisfying the market standards to which Lender customarily adheres or which may be reasonably required in the marketplace or by the Rating Agencies in connection with any Secondary Market Transactions, including, without limitation, to:

(i) (A) provide updated financial and other information with respect to the Property, the business operated at the Property, Borrower and the Manager, (B) provide updated budgets relating to the Property and (C) provide updated appraisals, market studies, environmental reviews (Phase I's and, if appropriate, Phase II's), property condition reports and other due diligence investigations of the Property (the "UPDATED INFORMATION"), together, with appropriate verification of the Updated Information through letters of auditors or opinions of counsel acceptable to Lender and the Rating Agencies;

(ii) provide opinions of counsel, which may be relied upon by Lender, the Rating Agencies and their respective counsel, agents and representatives, as to non-consolidation or any other opinion customary in Secondary Market Transactions or required by the Rating Agencies with respect to the Property and Borrower and Affiliates, which counsel and opinions shall be reasonably satisfactory to Lender and the Rating Agencies;

(iii) provide updated, as of the closing date of the Secondary Market Transaction, representations and warranties made in the Loan Documents and such additional representations and warranties as the Rating Agencies may require;

(iv) execute such amendments to the Loan Documents and Borrower's organizational documents reasonably requested by Lender, including, without limitation, amending the Monthly Payment Date, the

execution of one or more replacement loan agreements, as may be requested by Lender or the Rating Agencies to effect the Securitization and/or deliver one or more new component notes to replace the original note or modify the original note to reflect multiple components of the Loan (and such new notes or modified note shall have the same initial weighted average coupon of the original note, but such new notes or modified note may change the interest rate, Monthly Payment Date and amortization of the Loan), and modify the Cash Management Agreement with respect to the newly created components such that the pricing and marketability of the Securities and the size of each class of Securities and the rating assigned to each such class by the Rating Agencies shall provide the most favorable rating levels and achieve the optimum rating levels for the Loan; provided, however, any such amendments or agreements will not result in an economic change in the Loan terms and will not materially alter the payment terms set forth in this Agreement or the other Loan Documents or materially and adversely affect Borrower or impose additional material obligations or liabilities upon Borrower; and

(v) attend management meetings and conduct tours of the Property.

SECTION 9.2 SECURITIZATION INDEMNIFICATION.

(a) Borrower understands that information provided to Lender by Borrower and its agents, counsel and representatives may be included in disclosure documents in connection with the Securitization, including, without limitation, an offering circular, a prospectus, prospectus supplement, private placement memorandum or other offering document (each, a "DISCLOSURE DOCUMENT") and may also be included in filings with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "SECURITIES ACT"), or the Securities and Exchange Act of 1934, as amended (the "EXCHANGE ACT"), and may be made available to investors or prospective investors in the Securities, the Rating Agencies, and service providers relating to the Securitization.

(b) Borrower shall provide in connection with each of (i) a preliminary and a final private placement memorandum or (ii) a preliminary and final prospectus or prospectus supplement, as applicable, an agreement (A) certifying that Borrower has examined such Disclosure Documents specified by Lender and that each such Disclosure Document, as it relates to Borrower, Borrower Affiliates, the Property, Manager and all other aspects of the Loan, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, (B) indemnifying Lender (and for purposes of this Section 9.2, Lender hereunder shall include its officers and directors), the Affiliate of Lender that has filed the registration statement relating to the Securitization (the "REGISTRATION STATEMENT"), each of its directors, each of its officers who have signed the Registration Statement and each Person that controls the Affiliate within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "LENDER GROUP"), and Lender, and any other placement agent or underwriter with respect to the Securitization, each of their respective directors and each Person who controls Lender or any other placement agent or underwriter within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act (collectively, the "UNDERWRITER GROUP") for any losses, claims, damages or liabilities (collectively, the "LIABILITIES") to which Lender, the Lender Group

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or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in such sections 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 sections or necessary in order to make the statements in such sections, in light of the circumstances under which they were made, not misleading and (C) agreeing to reimburse Lender, the Lender Group and/or the Underwriter Group for any legal or other expenses reasonably incurred by Lender, the Lender Group and the Underwriter Group in connection with investigating or defending the Liabilities; provided, however, that Borrower will be liable in any such case under clauses (B) or (C) above only to the extent that any such loss claim, damage or liability arises out of or is based upon any such untrue statement or omission made therein in reliance upon and in conformity with information furnished to Lender by or on behalf of Borrower in connection with the preparation of the Disclosure Document or in connection with the underwriting or closing of the Loan, including, without limitation, financial statements of Borrower, operating statements and rent rolls with respect to the Property. This indemnity agreement will be in addition to any liability which Borrower may otherwise have.

(c) In connection with Exchange Act Filings, Borrower shall (i) indemnify Lender, the Lender Group and the Underwriter Group for Liabilities to which Lender, the Lender Group or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon the omission or alleged omission to state in the Disclosure Document a material fact required to be stated in the Disclosure Document in order to make the statements in the Disclosure Document, in light of the circumstances under which they were made, not misleading and (ii) reimburse Lender, the Lender Group or the Underwriter Group for any reasonable legal or other expenses actually and reasonably incurred by Lender, the Lender Group or the Underwriter Group in connection with defending or investigating the Liabilities.

(d) Promptly after receipt by an indemnified party under this Section 9.2 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 9.2, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any liability which the indemnifying party may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the indemnifying party. In the event that any action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party. After notice from the indemnifying party

to such indemnified party under this Section 9.2, such indemnified party shall pay for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there are any legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such

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indemnified party at the cost of the indemnifying party. The indemnifying party shall not be liable for the expenses of more than one separate counsel unless an indemnified party shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to another indemnified party.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 9.2(b) or (c) is for any reason held to be unenforceable as to an indemnified party in respect of any losses, claims, damages or liabilities (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 9.2(b) or (c), the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages or liabilities (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) Lender's and Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. Lender and Borrower hereby agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

(f) The liabilities and obligations of both Borrower and Lender under this Section 9.2 shall survive the termination of this Agreement and the satisfaction and discharge of the Debt.

X. DEFAULTS

SECTION 10.1 EVENT OF DEFAULT.

(a) Each of the following events shall constitute an event of default hereunder (an "EVENT OF DEFAULT"):

(i) if (A) any monthly installment of interest due under the Note or the payment due on the Maturity Date is not paid within five (5) days of the date when due or (B) any other portion of the Debt is not paid when due and such non-payment in this Section 10.1(a) (i) (B) continues for five (5) days following notice to Borrower that the same is due and payable;

(ii) if any of the Taxes or Other Charges are not paid when due (except to the extent (A) Lender is obligated to disburse Tax Funds for the payment of Taxes pursuant to Section 6.2.2 hereof, (B) Lender has sufficient Tax Funds in the Tax Funds account for such payment to make such payment, (C) no other Event of Default shall have occurred and (D) Lender fails to make such payment of Taxes);

(iii) if the Policies are not kept in full force and effect provided, however, if Borrower has deposited sufficient funds into the Insurance Account (as defined in the Cash Management Agreement) for the

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purchase of the Policies in accordance with Section 6.3 hereof, the failure to maintain such Policies due solely to non-payment of the Insurance Premiums shall not be deemed an Event of Default hereunder;

(iv) if Borrower breaches or permits or suffers a breach of Article 6 of the Mortgage or Article VIII of this Agreement;

(v) if any representation or warranty made by Borrower herein or in any other Loan Document, or in any report, certificate, financial statement or other instrument, agreement or document furnished to Lender shall have been false or misleading in any material respect as

of the date the representation or warranty was made;

(vi) if Borrower, any SPC Party or Guarantor shall make an assignment for the benefit of creditors;

(vii) if Borrower fails or admits its inability to pay debts generally as they become due;

(viii) if a receiver, liquidator or trustee shall be appointed for Borrower, any SPC Party or Guarantor or if Borrower, any SPC Party or Guarantor shall be adjudicated bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Borrower, any SPC Party or Guarantor, or if any proceeding for the dissolution or liquidation of Borrower, any SPC Party or Guarantor shall be instituted; provided, however, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Borrower, and SPC Party or Guarantor, upon the same not being discharged, stayed or dismissed within forty-five (45) days or if an order for relief is entered;

(ix) if Borrower assigns its rights under this Agreement or any of the other Loan Documents or any interest herein or therein in contravention of the Loan Documents;

(x) Intentionally Deleted;

(xi) if any of the assumptions contained in the Insolvency Opinion, or in any other non-consolidation opinion delivered to Lender in connection with the Loan, or in any other non-consolidation delivered subsequent to the closing of the Loan, is or shall become untrue in any material respect and Borrower fails to deliver updates/corrections within thirty (30) days of request therefor;

(xii) if Borrower breaches any representation, warranty or covenant contained in Section 3.1.24 hereof;

(xiii) intentionally omitted;

(xiv) if Guarantor breaches in any material respect any covenant, warranty or representation contained in the Guaranty or the Supplemental Guaranty;

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(xv) if Borrower shall continue to be in Default under any of the other terms, covenants or conditions of this Agreement not specified in subsections (i) through and including (xv) above, for ten (10) days after notice to Borrower from Lender, in the case of any Default which can be cured by the payment of a sum of money, or for thirty (30) days after notice from Lender in the case of any other Default; provided, however, that if such non monetary Default is susceptible of cure but cannot reasonably be cured within such thirty (30) day period and provided further that Borrower shall have commenced to cure such Default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for Borrower in the exercise of due diligence to cure such Default, such additional period not to exceed ninety (90) days; or

(xvi) if there shall be Default under any of the other Loan Documents beyond any applicable cure periods contained in such Loan Documents, whether as to Borrower or the Property, or if any other such event shall occur or condition shall exist, if the effect of such event or condition is to accelerate the maturity of any portion of the Debt or to permit Lender to accelerate the maturity of all or any portion of the Debt.

(b) Upon the occurrence of an Event of Default (other than an Event of Default described in Sections 10.1(a)(vi), (vii) or (viii) above) and at any time thereafter Lender may, in addition to any other rights or remedies available to it pursuant to this Agreement and the other Loan Documents or at law or in equity, take such action, without notice or demand, that Lender deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, without limitation, declaring the Debt to be immediately due and payable, and Lender may enforce or avail itself of any or all rights or remedies provided in the Loan Documents against Borrower and the Property, including, without limitation, all rights or remedies available at law or in equity; and upon any Event of Default described in Sections 10.1(a)(vi), (vii) or (viii) above, the Debt and all other obligations of Borrower hereunder and under the other Loan Documents shall immediately and automatically become due and payable, without notice or demand, and Borrower hereby expressly waives any

such notice or demand, anything contained herein or in any other Loan Document to the contrary notwithstanding.

SECTION 10.2 REMEDIES.

(a) Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under this Agreement or any of the other Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Debt shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to the Property. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents. Without limiting the generality of the foregoing and subject to applicable law,

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if an Event of Default is continuing (i) Lender is not subject to any "one action" or "election of remedies" law or rule, and (ii) all liens and other rights, remedies or privileges provided to Lender shall remain in full force and effect until Lender has exhausted all of its remedies against the Property and the Mortgage has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Debt or the Debt has been paid in full.

(b) Subject to applicable law, Lender shall have the right from time to time to partially foreclose the Mortgage in any manner and for any amounts secured by the Mortgage then due and payable as determined by Lender in its sole discretion including, without limitation, the following circumstances: (i) in the event Borrower defaults beyond any applicable grace period in the payment of one or more scheduled payments of principal and interest, Lender may foreclose the Mortgage to recover such delinquent payments, or (ii) in the event Lender elects to accelerate less than the entire outstanding principal balance of the Loan, Lender may foreclose the Mortgage to recover so much of the principal balance of the Loan as Lender may accelerate and such other sums secured by the Mortgage as Lender may elect. Notwithstanding one or more partial foreclosures, the Property shall remain subject to the Mortgage to secure payment of sums secured by the Mortgage and not previously recovered.

(c) Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages and other security documents (the "SEVERED LOAN DOCUMENTS") in such denominations as Lender shall determine in its sole discretion for purposes of evidencing and enforcing its rights and remedies provided hereunder. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, Lender shall not make or execute any such documents under such power until three (3) days after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power. Except as may be required in connection with a Securitization pursuant to Section 9.1 hereof, (i) Borrower shall not be obligated to pay any costs or expenses incurred in connection with the preparation, execution, recording or filing of the Severed Loan Documents, and (ii) the Severed Loan Documents shall not contain any representations, warranties or covenants not contained in the Loan Documents and any such representations and warranties contained in the Severed Loan Documents will be given by Borrower only as of the Closing Date.

(d) Any amounts recovered from the Property or any other collateral for the Loan after an Event of Default may be applied by Lender toward the payment of any interest and/or principal of the Loan and/or any other amounts due under the Loan Documents in such order, priority and proportions as Lender in its sole discretion shall determine.

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SECTION 10.3 RIGHT TO CURE DEFAULTS.

Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder or being deemed to have cured any Event of Default

hereunder, make, do or perform any obligation of Borrower hereunder in such manner and to such extent as Lender may deem necessary. Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property for such purposes, and the cost and expense actually incurred thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 10.3, shall constitute a portion of the Debt and shall be due and payable to Lender upon demand. All such costs and expenses actually incurred by Lender in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any action or proceeding shall bear interest at the Default Rate, for the period after such cost or expense was incurred to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by the liens, claims and security interests provided to Lender under the Loan Documents and shall be immediately due and payable upon demand by Lender therefore.

SECTION 10.4 REMEDIES CUMULATIVE.

The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to this Agreement or the other Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued singly, concurrently or otherwise, at such time and in such order as Lender may determine in Lender's sole discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Default or Event of Default with respect to Borrower shall not be construed to be a waiver of any subsequent Default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon.

XI. MISCELLANEOUS

SECTION 11.1 SUCCESSORS AND ASSIGNS.

Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the legal representatives, successors and assigns of such party. All covenants, promises and agreements in this Agreement, by or on behalf of Borrower, shall inure to the benefit of the legal representatives, successors and assigns of Lender.

SECTION 11.2 LENDER'S DISCRETION.

Whenever pursuant to this Agreement Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall

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(except as is otherwise specifically herein provided) be in the sole discretion of Lender and shall be final and conclusive. Prior to a Securitization, whenever pursuant to this Agreement the Rating Agencies are given any right to approve or disapprove, or any arrangement or term is to be satisfactory to the Rating Agencies, the decision of Lender to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory, based upon Lender's determination of Rating Agency criteria, shall be substituted therefore.

SECTION 11.3 GOVERNING LAW.

(A) THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY LENDER AND ACCEPTED BY BORROWER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE DELIVERED PURSUANT HERETO WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIEN AND SECURITY INTEREST CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE

(B) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER

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HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER DOES HEREBY DESIGNATE AND APPOINT:

Stuart H. Widowski
44 South Bayles Avenue
Port Washington, New York 11050

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER, IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. BORROWER (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

SECTION 11.4 MODIFICATION, WAIVER IN WRITING.

No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Borrower, shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances.

SECTION 11.5 DELAY NOT A WAIVER.

Neither any failure nor any delay on the part of Lender in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder, or under any other Loan Document, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under this Agreement or any other Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under this Agreement or the other Loan Documents, or to

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declare a default for failure to effect prompt payment of any such other amount. Lender shall have the right to waive or reduce any time periods that Lender is entitled to under the Loan Documents in its sole and absolute discretion.

SECTION 11.6 NOTICES.

All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "NOTICE") required, permitted, or desired to be given hereunder shall be in writing sent by telefax (with answer back acknowledged) or by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 11.6. Any Notice shall be deemed to have been received: (a) three (3) days after the date such Notice is mailed, (b) on the date of sending by facsimile transmission if sent during business hours on a Business Day (otherwise on the next Business Day), (c) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day), and (d) on the next Business Day if sent by an overnight commercial courier, in each case addressed to the parties as follows:

If to Lender:

Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Head of Portfolio Operations
Facsimile No.: (212) 479-5800

with a copy to:

Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Legal Director
Facsimile No.: (212) 479-5800

with a copy to:

Cadwalader, Wickersham & Taft LLP
100 Maiden Lane
New York, New York 100038
Attention: Michael G. Kavourias, Esq.
Facsimile No.: (212) 504-6666

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If to Borrower:

Cedar-Franklin Village LLC
c/o Cedar Shopping Centers Partnership, L.P.
44 South Bayles Avenue
Suite 304
Port Washington, NY 11050
Attention: Brenda J. Walker and Stuart H. Widowski, Esq.
Facsimile No.: (516) 767-6497

with a copy to:

Stroock & Stroock, & Lavan, LLP
180 Maiden Lane
New York, New York 10038
Attention: Steven P. Moskowitz
Facsimile No.: (212) 806-6006

SECTION 11.7 TRIAL BY JURY.

BORROWER AND LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

SECTION 11.8 HEADINGS.

The Article and/or Section headings and the Table of Contents in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

SECTION 11.9 SEVERABILITY.

Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

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SECTION 11.10 PREFERENCES.

Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the obligations of Borrower hereunder. To the extent Borrower makes a payment or

payments to Lender, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

SECTION 11.11 WAIVER OF NOTICE.

Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Agreement or the other Loan Documents do not specifically and expressly provide for the giving of notice by Lender to Borrower.

SECTION 11.12 REMEDIES OF BORROWER.

In the event that a claim or adjudication is made that Lender or its agents have acted unreasonably or unreasonably delayed acting in any case where, by law or under this Agreement or the other Loan Documents, Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, neither Lender nor its agents shall be liable for any monetary damages, and Borrower's sole remedy shall be limited to commencing an action seeking injunctive relief or declaratory judgment. Any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory judgment.

SECTION 11.13 EXPENSES; INDEMNITY.

(a) Borrower shall pay or, if Borrower fails to pay, reimburse Lender upon receipt of notice from Lender, for all reasonable costs and expenses (including reasonable attorneys' fees and disbursements actually incurred by Lender in connection with (i) the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby and thereby and all the costs of furnishing all opinions of counsel (including without limitation any opinions requested by Lender as to any legal matters pertaining to this Agreement, the other Loan Documents or the Property); (ii) Borrower's ongoing performance of and compliance with Borrower's agreements and covenants contained in this Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date, including, without limitation, confirming compliance with environmental and insurance requirements; (iii) the negotiation, preparation,

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execution, delivery and administration of any consents, amendments, waivers or other modifications to this Agreement and the other Loan Documents and any other documents or matters requested by Borrower; (iv) the filing and recording fees and expenses, Title Insurance and reasonable fees and expenses of counsel for providing to Lender all required legal opinions, and other similar expenses incurred, in creating and perfecting the Liens in favor of Lender pursuant to this Agreement and the other Loan Documents; (v) enforcing or preserving any rights, in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation or otherwise, in each case against, under or affecting Borrower, this Agreement, the other Loan Documents, the Property, or any other security given for the Loan; and (vi) enforcing any obligations of or collecting any payments due from Borrower under this Agreement, the other Loan Documents or with respect to the Property or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work out" or of any insolvency or bankruptcy proceedings; provided, however, that Borrower shall not be liable for the payment of any such costs and expenses to the extent the same arise by reason of the gross negligence, illegal acts, fraud, bad faith or willful misconduct of Lender.

(b) Borrower shall indemnify, defend and hold harmless Lender and its officers, directors, agents, employees (and the successors and assigns of the foregoing) (the "LENDER INDEMNITEES") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for the Lender Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not the Lender Indemnitees shall be designated a party thereto), that may be imposed on, incurred by, or asserted against the Lender Indemnitees in any manner relating to or arising out of (i) any breach by Borrower of its obligations under, or any material misrepresentation by Borrower contained in, this Agreement or the other

Loan Documents, or (ii) the use or intended use of the proceeds of the Loan (collectively, the "INDEMNIFIED LIABILITIES"); provided, however, that Borrower shall not have any obligation to the Lender Indemnitees hereunder to the extent that such Indemnified Liabilities arise from the bad faith, gross negligence, illegal acts, fraud or willful misconduct of the Lender Indemnitees. To the extent that the undertaking to indemnify, defend and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by the Lender Indemnitees.

SECTION 11.14 SCHEDULES INCORPORATED.

The Schedules annexed hereto are hereby incorporated herein as a part of this Agreement with the same effect as if set forth in the body hereof.

SECTION 11.15 OFFSETS, COUNTERCLAIMS AND DEFENSES.

Any assignee of Lender's interest in and to this Agreement and the other Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to such documents which Borrower may otherwise have against any assignor of such documents, and no such unrelated

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counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon such documents and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

SECTION 11.16 NO JOINT VENTURE OR PARTNERSHIP; NO THIRD PARTY BENEFICIARIES.

(a) Borrower and Lender intend that the relationships created hereunder and under the other Loan Documents be solely that of borrower and lender. Nothing herein or therein is intended to create a joint venture, partnership, tenancy in common, or joint tenancy relationship between Borrower and Lender nor to grant Lender any interest in the Property other than that of mortgagee, beneficiary or lender.

(b) This Agreement and the other Loan Documents are solely for the benefit of Lender and nothing contained in this Agreement or the other Loan Documents shall be deemed to confer upon anyone other than Lender or Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained herein or therein. All conditions to the obligations of Lender to make the Loan hereunder are imposed solely and exclusively for the benefit of Lender and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender will refuse to make the Loan in the absence of strict compliance with any or all thereof and no other Person shall under any circumstances be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Lender if, in Lender's sole discretion, Lender deems it advisable or desirable to do so.

SECTION 11.17 PUBLICITY.

All news releases, publicity or advertising by Borrower or its Affiliates through any media intended to reach the general public which refers to the Loan Documents or the financing evidenced by the Loan Documents, to Lender or any of its Affiliates shall be subject to the prior written approval of Lender. 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 reasonably approved in writing by Lender in advance of issuance.

SECTION 11.18 WAIVER OF MARSHALLING OF ASSETS.

To the fullest extent permitted by law, Borrower, for itself and its successors and assigns, waives all rights to a marshalling of the assets of Borrower, Borrower's partners and others with interests in Borrower, and of the Property, and shall not assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Property for the collection of the Debt without any

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prior or different resort for collection or of the right of Lender to the payment of the Debt out of the net proceeds of the Property in preference to every other claimant whatsoever.

SECTION 11.19 WAIVER OF OFFSETS/DEFENSES/COUNTERCLAIMS.

Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or its agents or otherwise to offset any obligations to make the payments required by the Loan Documents. No failure by Lender to perform any of its obligations hereunder shall be a valid defense to, or result in any offset against, any payments which Borrower is obligated to make under any of the Loan Documents.

SECTION 11.20 CONFLICT; CONSTRUCTION OF DOCUMENTS; RELIANCE.

In the event of any conflict between the provisions of this Agreement and any of the other Loan Documents, the provisions of this Agreement shall control. The parties hereto acknowledge that they were represented by competent counsel in connection with the negotiation, drafting and execution of the Loan Documents and that such Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted them. Borrower acknowledges that, with respect to the Loan, Borrower shall rely solely on its own judgment and advisors in entering into the Loan without relying in any manner on any statements, representations or recommendations of Lender or any parent, subsidiary or Affiliate of Lender. Lender shall not be subject to any limitation whatsoever in the exercise of any rights or remedies available to it under any of the Loan Documents or any other agreements or instruments which govern the Loan by virtue of the ownership by it or any parent, subsidiary or Affiliate of Lender of any equity interest any of them may acquire in Borrower, and Borrower hereby irrevocably waives the right to raise any defense or take any action on the basis of the foregoing with respect to Lender's exercise of any such rights or remedies. Borrower acknowledges that Lender engages in the business of real estate financings and other real estate transactions and investments which may be viewed as adverse to or competitive with the business of Borrower or its Affiliates.

SECTION 11.21 BROKERS AND FINANCIAL ADVISORS.

Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement. Borrower shall indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising from a claim by any Person that such Person acted on behalf of Borrower or Lender in connection with the transactions contemplated herein. The provisions of this Section 11.21 shall survive the expiration and termination of this Agreement and the payment of the Debt.

SECTION 11.22 EXCULPATION.

Subject to the qualifications below, Lender shall not enforce the liability and obligation of Borrower to perform and observe the obligations contained in the Note, this Agreement, the Mortgage or the other Loan Documents

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by any action or proceeding wherein a money judgment shall be sought against Borrower, except that Lender may bring a foreclosure action, an action for specific performance or any other appropriate action or proceeding to enable Lender to enforce and realize upon its interest under the Note, this Agreement, the Mortgage and the other Loan Documents, or in the Property, the Rents, or any other collateral given to Lender pursuant to the Loan Documents; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of Borrower's interest in the Property, in the Rents, Net Proceeds and in any other collateral given to Lender, and Lender, by accepting the Note, this Agreement, the Mortgage and the other Loan Documents, shall not sue for, seek or demand any deficiency judgment against Borrower in any such action or proceeding under or by reason of or under or in connection with the Note, this Agreement, the Mortgage or the other Loan Documents. The provisions of this Section shall not, however, (a) constitute a waiver, release or impairment of any obligation evidenced or secured by any of the Loan Documents; (b) impair the right of Lender to name Borrower as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any guaranty made in connection with the Loan or any of the rights and remedies of Lender thereunder; (d) impair the right of Lender to obtain the appointment of a receiver; (e) impair the enforcement of the Assignment of Leases; (f) constitute a prohibition against Lender to seek a deficiency judgment against Borrower in order to fully realize the security granted by the Mortgage or to commence any other appropriate action or proceeding in order for Lender to exercise its remedies against the Property; or

(g) constitute a waiver of the right of Lender to enforce the liability and obligation of Borrower, by money judgment or otherwise, to the extent of any loss, damage, cost, expense, liability, claim or other obligation incurred by Lender (including attorneys' fees and costs reasonably incurred) arising out of or in connection with and Borrower shall be personally liable for the following:

(i) fraud or intentional misrepresentation by Borrower or any guarantor in connection with the Loan;

(ii) the willful misconduct of Borrower;

(iii) the breach of any representation, warranty, covenant or indemnification provision in the Environmental Indemnity or in the Mortgage concerning environmental laws, hazardous substances and asbestos and any indemnification of Lender with respect thereto in either document;

(iv) the removal or disposal of any portion of the Property after an Event of Default;

(v) the misapplication or conversion by Borrower of (A) any insurance proceeds paid by reason of any loss, damage or destruction to the Property, (B) any Awards or other amounts received in connection with the Condemnation of all or a portion of the Property, or (C) any Rents following an Event of Default or any Rents collected for more than one month in advance to the extent such Rents or any other payments in respect of the Leases and other income of the Property or any other collateral are not applied to the costs of maintenance and operation of the Property and to the payment of taxes, lien claims,

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insurance premiums, Debt Service and other amounts due under the Loan Documents;

(vi) misappropriation or conversion of any security deposits, advance deposits or any other deposits collected with respect to the Property which are not delivered to Lender upon a foreclosure of the Property or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the Leases prior to the occurrence of the Event of Default that gave rise to such foreclosure or action in lieu thereof;

(vii) Borrower's failure to maintain insurance as required by this Agreement or to pay any taxes or assessments affecting the Property as required by this Agreement;

(viii) misappropriation, removal or disposal (except in the ordinary course of Borrower's business) of any Personal Property (as defined in the Mortgage) affixed to the Property which constitutes a portion of the collateral for the Loan;

(ix) failure to pay any charges when due for labor or materials that create Liens on the Property (to the extent net cash flow from the Property is available for payment of such charges) unless the same are being contested in accordance with this Agreement;

(x) failure to restore physical waste of the Property; or

(xi) Borrower fails to appoint a new property manager upon the request of Lender after an Event of Default, as required by, and in accordance with the terms and provisions of, this Agreement and the Mortgage.

Notwithstanding anything to the contrary in this Agreement, the Note or any of the Loan Documents, (A) Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of the Debt or to require that all collateral shall continue to secure all of the Debt owing to Lender in accordance with the Loan Documents, and (B) the Debt shall be fully recourse to Borrower in the event that: (i) Borrower fails to obtain Lender's prior consent to any subordinate financing or other voluntary Lien encumbering the Property (other than Permitted Encumbrances); (ii) Borrower fails to obtain Lender's prior consent to any Prohibited Transfer as required by the Mortgage or this Agreement; (iii) Borrower files a voluntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (iv) an Affiliate which controls, directly or indirectly, Borrower files, or joins in the filing of, an involuntary petition against Borrower under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower from any Person; (v) Borrower files an answer consenting to or otherwise acquiescing in or joining in any involuntary petition

filed against it, by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or solicits or causes to be solicited petitioning creditors for any involuntary petition from any Person; (vi) any Affiliate which controls Borrower consents to or acquiesces in or joins in an application for the appointment of a custodian, receiver, trustee, or

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examiner for Borrower or any portion of the Property; (vii) Borrower makes an assignment for the benefit of creditors, or admits, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due; or (viii) Borrower defaults in the observance or performance of any of its obligations under Section 3.1.24.

SECTION 11.23 PRIOR AGREEMENTS.

This Agreement and the other Loan Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, including, without limitation, the term sheet dated September 30, 2004 between Borrower and Lender, are superseded by the terms of this Agreement and the other Loan Documents.

SECTION 11.24 SERVICER.

(a) At the option of Lender, the Loan may be serviced by a servicer (the "SERVICER") selected by Lender and Lender may delegate all or any portion of its responsibilities under this Agreement and the other Loan Documents to the Servicer pursuant to a servicing agreement (the "SERVICING AGREEMENT") between Lender and Servicer. Borrower shall be responsible for any reasonable set-up fees or any other initial costs relating to or arising under the Servicing Agreement; provided, however, that Borrower shall not be responsible for payment of the monthly servicing fee due to the Servicer under the Servicing Agreement. Servicer shall, however, be entitled to reimbursement of costs and expenses as and to the same extent (but without duplication) as Lender is entitled thereto under the applicable provisions of this Agreement and the other Loan Documents.

(b) Upon notice thereof from Lender, Servicer shall have the right to exercise all rights of Lender and enforce all obligations of Borrower pursuant to the provisions of this Agreement, the Note and the other Loan Documents.

(c) Provided Borrower shall have been given notice of Servicer's address by Lender, Borrower shall deliver to Servicer duplicate originals of all notices and other instruments which Borrower may or shall be required to deliver to Lender pursuant to this Agreement, the Note and the other Loan Documents (and no delivery of such notices or other instruments by Borrower shall be of any force or effect unless delivered to Lender and Servicer as provided above).

SECTION 11.25 JOINT AND SEVERAL LIABILITY.

If more than one Person has executed this Agreement as "Borrower," the representations, covenants, warranties and obligations of all such Persons hereunder shall be joint and several.

SECTION 11.26 CREATION OF SECURITY INTEREST.

Notwithstanding any other provision set forth in this Agreement, the Note, the Mortgage or any of the other Loan Documents, Lender may at any time create a security interest in all or any portion of its rights under this Agreement, the Note, the Mortgage and any other Loan Document (including,

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without limitation, the advances owing to it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

SECTION 11.27 ASSIGNMENTS AND PARTICIPATIONS.

(a) The Lender may assign to one or more Persons all or a portion of its rights and obligations under this Loan Agreement.

(b) Upon such execution and delivery, from and after the effective date specified in such assignment, the assignee thereunder shall be a party hereto and have the rights and obligations of Lender hereunder.

(c) Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section

11.27, disclose to the assignee or participant or proposed assignee or participant, as the case may be, any information relating to Borrower or any of its Affiliates or to any aspect of the Loan that has been furnished to the Lender by or on behalf of the Borrower or any of its Affiliates.

SECTION 11.28 SET-OFF.

In addition to any rights and remedies of Lender provided by this Loan Agreement and by law, the Lender shall have the right, without prior notice to Borrower, any such notice being expressly waived by Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by Lender or any Affiliate thereof to or for the credit or the account of Borrower. Lender agrees promptly to notify Borrower after any such set-off and application made by Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

SECTION 11.29 COMPONENT NOTES.

Lender, without in any way limiting Lender's other rights hereunder, in its sole and absolute discretion, shall have the right at any time to require Borrower to execute and deliver "component" notes (including senior and junior notes) in replacement of the Note as evidence of the Loan, which notes may be paid in such order of priority as may be designated by Lender, provided that (i) the aggregate principal amount of such "component" notes shall equal the outstanding principal balance of the Loan, (ii) the weighted average interest rate of all such "component" notes shall on the date created equal the interest rate which was applicable to the Loan, (iii) the Debt Service on all such "component" notes shall on the date created equal the Debt Service which was due under the Loan immediately prior to the creation of such component notes and (iv) the other terms and provisions of each of the "component" notes shall be identical in substance and substantially similar in form to the Loan Documents. Borrower, at its cost and expense, shall cooperate with all reasonable requests of Lender in order to establish the "component" notes and shall execute and deliver such documents as shall reasonably be required by

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Lender and any Rating Agency in connection therewith, all in form and substance reasonably satisfactory to Lender and satisfactory to any Rating Agency, including, without limitation, the severance of security documents if requested. In the event Borrower fails to execute and deliver such documents to Lender within five (5) Business Days following such request by Lender, Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect such transactions, Borrower ratifying all that such attorney shall do by virtue thereof subject to the limitations set forth in this Section 11.29.

It shall be an Event of Default under this Agreement, the Note, the Mortgage and the other Loan Documents if Borrower fails to comply with any of the terms, covenants or conditions of this Section 11.29 within ten (10) Business Days of notice thereof.

All legal fees and expenses incurred by Borrower in connection with this Section 11.29 (including costs and expenses incurred by Borrower pursuant to any requests made by Lender under Section 11.29) shall be paid by Borrower except Borrower's legal fees.

SECTION 11.30 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, if any, 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

11.31 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 or any other Loan Document shall be satisfied, if at all, out of Lender's interest in the Property 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.

[NO FURTHER TEXT ON THIS PAGE]

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

LENDER:

EUROHYPO AG, NEW YORK BRANCH, the
New York branch of a German
banking corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

BORROWER:

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: _____
Name: Brenda J. Walker
Title: Vice President

SCHEDULE I

(RENT ROLL)

Schedule I

SCHEDULE II

<TABLE>
<CAPTION>

(REQUIRED REPAIRS)

PROPERTY	REQUIRED REPAIR	AMOUNT	DEADLINE
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Pavement Repairs	Parking area cracks require repairs	\$3,500	1 year
Masonry Repairs	Repair masonry control joints	\$2,500	1 year
Window Repairs	Re-caulk storefront windows	\$2,500	1 year
Roof Repairs	Investigate and repair roof	\$2,500	1 year
Sprinkler Head Repairs	Resolve sprinkler head deficiencies per Massachusetts code	\$7,250	1 year
Exposure Protection	Add Applebee Tenant sprinkler heads	\$4,500	1 year
Standpipe Separation	Separate standpipe hose valves from sprinkler system in Buildings J and 1100	\$13,000	1 year
Exterior Alarms	Add exterior audible alarms	\$3,200	1 year
Control Valves	Add sprinkler control valves	\$2,000	1 year
Fire Pump Bearings	Add fire pump bearing	\$500	1 year
Electrical Panel	Infrared scan and maintain electric panels	\$3,000	1 year
Electric Code Violation	An electrical should verify the fire pump feeder is not tapped	\$1,500	1 year

</TABLE>

Schedule II

SCHEDULE III

(ORGANIZATIONAL CHART)

Schedule III

SCHEDULE IV

EUROHYPO AG, NEW YORK BRANCH
(Lender)

- and -

(Tenant)

SUBORDINATION, NON-DISTURBANCE
AND ATTORNEY AGREEMENT

Dated:

Location:

Section:
Block:
Lot:
County:

PREPARED BY AND UPON
RECORDATION RETURN TO:

Cadwalader, Wickersham & Taft LLP
100 Maiden Lane
New York, New York 10038
Attention: Michael G. Kavourias, Esq.
Facsimile No.: (212) 504-6666

File No.:
Title No.:

SUBORDINATION, NON DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON DISTURBANCE AND ATTORNMENT AGREEMENT (this "AGREEMENT") is made as of the ____ day of _____, 20__ by and between EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation, having an address at 1114 Avenue of the Americas, Twenty-Ninth Floor, New York, New York 10036 ("LENDER"), and _____, having an address at _____ ("TENANT").

RECITALS:

A. Lender has made a loan in the approximate amount of \$_____ to Landlord (defined below), which Loan is given pursuant to the terms and conditions of that certain Loan Agreement dated _____, 20__, between Lender and Landlord (the "LOAN AGREEMENT"). The Loan is evidenced by a certain Promissory Note dated _____, 20__, given by Landlord to Lender (the "NOTE") and secured by a certain [Mortgage][Deed of Trust] and Security Agreement dated _____, 20__, given by Landlord to Lender (the "MORTGAGE"), which encumbers the fee estate of Landlord in certain premises described in Exhibit A attached hereto (the "PROPERTY");

B. Tenant occupies a portion of the Property under and pursuant to the provisions of a certain lease dated _____, _____ between _____, as landlord ("LANDLORD") and Tenant, as tenant (the "LEASE"); and

C. Tenant has agreed to subordinate the Lease to the Mortgage and to the lien thereof and Lender has agreed to grant non-disturbance to Tenant under the Lease on the terms and conditions hereinafter set forth.

AGREEMENT:

For good and valuable consideration, Tenant and Lender agree as follows:

1. Subordination. Tenant agrees that the Lease and all of the terms, covenants and provisions thereof and all rights, remedies and options of Tenant thereunder are and shall at all times continue to be subject and subordinate in all respects to the Mortgage and to the lien thereof and all terms, covenants and conditions set forth in the Mortgage and the Loan Agreement including without limitation all renewals, increases, modifications, spreaders, consolidations, replacements and extensions thereof and to all sums secured thereby with the same force and effect as if the Mortgage and Loan Agreement had been executed, delivered and (in the case of the Mortgage) recorded prior to the execution and delivery of the Lease.

2. Non-Disturbance. Lender agrees that if any action or proceeding is commenced by Lender for the foreclosure of the Mortgage or the sale of the Property, Tenant shall not be named as a party therein unless such joinder shall be required by law, provided, however, such joinder shall not result in the termination of the Lease or disturb the Tenant's possession or use

Schedule IV-Page 2

of the premises demised thereunder, and the sale of the Property in any such action or proceeding and the exercise by Lender of any of its other rights under the Note, the Mortgage and the Loan Agreement shall be made subject to all rights of Tenant under the Lease, provided that at the time of the commencement of any such action or proceeding or at the time of any such sale or exercise of any such other rights (a) the term of the Lease shall have commenced pursuant to the provisions thereof, (b) Tenant shall be in possession of the premises demised under the Lease, (c) the Lease shall be in full force and effect and (d) Tenant shall not be in default under any of the terms, covenants or conditions of the Lease or of this Agreement on Tenant's part to be observed or performed beyond the expiration of any applicable notice or grace periods.

3. Attornment. Lender and Tenant agree that upon the conveyance of the Property by reason of the foreclosure of the Mortgage or the acceptance of a deed or assignment in lieu of foreclosure or otherwise, the Lease shall not be terminated or affected thereby (at the option of the transferee of the Property (the "TRANSFeree") if the conditions set forth in Section 2 above have not been met at the time of such transfer) but shall continue in full force and effect as a direct lease between the Transferee and Tenant upon all of the terms, covenants and conditions set forth in the Lease and in that event, Tenant agrees to attorn to the Transferee and the Transferee shall accept such attornment, provided, however, that the provisions of the Mortgage and the Loan Agreement shall govern with respect to the disposition of any casualty insurance proceeds or condemnation awards and the Transferee shall not be (a) obligated to complete any construction work required to be done by

Landlord pursuant to the provisions of the Lease or to reimburse Tenant for any construction work done by Tenant, (b) liable (i) for Landlord's failure to perform any of its obligations under the Lease which have accrued prior to the date on which the Transferee shall become the owner of the Property, or (ii) for any act or omission of Landlord, whether prior to or after such foreclosure or sale, (c) required to make any repairs to the Property or to the premises demised under the Lease required as a result of fire, or other casualty or by reason of condemnation unless the Transferee shall be obligated under the Lease to make such repairs and shall have received sufficient casualty insurance proceeds or condemnation awards to finance the completion of such repairs, (d) required to make any capital improvements to the Property or to the premises demised under the Lease which Landlord may have agreed to make, but had not completed, or to perform or provide any services not related to possession or quiet enjoyment of the premises demised under the Lease, (e) subject to any offsets, defenses, abatement or counterclaims which shall have accrued to Tenant against Landlord prior to the date upon which the Transferee shall become the owner of the Property, (f) liable for the return of rental security deposits, if any, paid by Tenant to Landlord in accordance with the Lease unless such sums are actually received by the Transferee, (g) bound by any payment of rents, additional rents or other sums which Tenant may have paid more than one (1) month in advance to any prior Landlord unless (i) such sums are actually received by the Transferee or (ii) such prepayment shall have been expressly approved of by the Transferee, (h) bound to make any payment to Tenant which was required under the Lease, or otherwise, to be made prior to the time the Transferee succeeded to Landlord's interest, (i) bound by any agreement amending, modifying or terminating the Lease made without the Lender's prior written consent prior to the time the Transferee succeeded to Landlord's interest or (j) bound by any assignment of the Lease or sublease of the Property, or any portion thereof, made prior to the time the Transferee succeeded to Landlord's interest other than if pursuant to the provisions of the Lease.

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4. Notice to Tenant. After notice is given to Tenant by Lender that the Landlord is in default under the Note and the Mortgage and that the rentals under the Lease should be paid to Lender pursuant to the terms of the assignment of leases and rents executed and delivered by Landlord to Lender in connection therewith, Tenant shall thereafter pay to Lender or as directed by the Lender, all rentals and all other monies due or to become due to Landlord under the Lease and Landlord hereby expressly authorizes Tenant to make such payments to Lender and hereby releases and discharges Tenant from any liability to Landlord on account of any such payments.

5. Lender's Consent. Tenant shall not, without obtaining the prior written consent of Lender, (a) enter into any agreement amending, modifying or terminating the Lease, (b) prepay any of the rents, additional rents or other sums due under the Lease for more than one (1) month in advance of the due dates thereof, (c) voluntarily surrender the premises demised under the Lease or terminate the Lease without cause or shorten the term thereof, or (d) assign the Lease or sublet the premises demised under the Lease or any part thereof other than pursuant to the provisions of the Lease; and any such amendment, modification, termination, prepayment, voluntary surrender, assignment or subletting, without Lender's prior consent, shall not be binding upon Lender.

6. Lender to Receive Notices. Tenant shall provide Lender with copies of all written notices sent to Landlord pursuant to the Lease simultaneously with the transmission of such notices to the Landlord. Tenant shall notify Lender of any default by Landlord under the Lease which would entitle Tenant to cancel the Lease or to an abatement of the rents, additional rents or other sums payable thereunder, and agrees that, notwithstanding any provisions of the Lease to the contrary, no notice of cancellation thereof or of such an abatement shall be effective unless Lender shall have received notice of default giving rise to such cancellation or abatement and shall have failed within sixty (60) days after receipt of such notice to cure such default, or if such default cannot be cured within sixty (60) days, shall have failed within sixty (60) days after receipt of such notice to commence and thereafter diligently pursue any action necessary to cure such default.

7. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof and confirmed by telephone by sender, (ii) one (1) Business Day (hereinafter defined) after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Tenant:

Attention: _____
Facsimile No.: _____

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If to Lender:

Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Head of Portfolio Operations
Facsimile No.: (212) 479-5800

With a copy to:

Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Legal Director
Facsimile No.: (212) 479-5800

With a copy to:

Cadwalader, Wickersham & Taft LLP
100 Maiden Lane
New York, New York 100038
Attention: Michael G. Kavourias, Esq.
Facsimile No.: (212) 504-6666

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section, the term "BUSINESS DAY" shall mean a day on which commercial banks are not authorized or required by law to close in New York, New York.

Either party by notice to the other may designate additional or different addresses for subsequent notices or communications.

8. Joint and Several Liability. If Tenant consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Agreement shall be binding upon and inure to the benefit of Lender and Tenant and their respective successors and assigns.

9. Definitions. The term "LENDER" as used herein shall include the successors and assigns of Lender and any person, party or entity which shall become the owner of the Property by reason of a foreclosure of the Mortgage or the acceptance of a deed or assignment in lieu of foreclosure or otherwise. The term "LANDLORD" as used herein shall mean and include the present landlord under the Lease and such landlord's predecessors and successors in interest under the Lease, but shall not mean or include Lender. The term "PROPERTY" as used herein shall mean the Property, the improvements now or hereafter located thereon and the estates therein encumbered by the Mortgage.

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10. No Oral Modifications. This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto.

11. Governing Law. This Agreement shall be deemed to be a contract entered into pursuant to the laws of the State where the Property is located and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State where the Property is located.

12. Inapplicable Provisions. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

13. Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

14. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the

plural and vice versa.

15. Transfer of Loan. Lender may sell, transfer and deliver the Note and assign the Mortgage, this Agreement and the other documents executed in connection therewith to one or more investors in the secondary mortgage market ("INVESTORS"). In connection with such sale, Lender may retain or assign responsibility for servicing the loan, including the Note, the Mortgage, this Agreement and the other documents executed in connection therewith, or may delegate some or all of such responsibility and/or obligations to a servicer including, but not limited to, any subservicer or master servicer, on behalf of the Investors. All references to Lender herein shall refer to and include any such servicer to the extent applicable.

16. Further Acts. Tenant will, at the cost of Tenant, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts and assurances as Lender shall, from time to time, require, for the better assuring and confirming unto Lender the property and rights hereby intended now or hereafter so to be, or for carrying out the intention or facilitating the performance of the terms of this Agreement or for filing, registering or recording this Agreement, or for complying with all applicable laws.

17. Limitations on Lender's Liability. Tenant acknowledges that Lender is obligated only to Landlord to make the Loan upon the terms and subject to the conditions set forth in the Loan Agreement. In no event shall Lender or any purchaser of the Property at foreclosure sale or any grantee of the Property named in a deed-in-lieu of foreclosure, nor any heir, legal representative, successor, or assignee of Lender or any such purchaser or grantee (collectively the Lender, such purchaser, grantee, heir, legal representative, successor or assignee, the "SUBSEQUENT LANDLORD") have any personal liability for the obligations of Landlord under the Lease and should the Subsequent Landlord succeed to the interests of the Landlord under the

Schedule IV-Page 6

Lease, Tenant shall look only to the estate and property of any such Subsequent Landlord in the Property for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money in the event of any default by any Subsequent Landlord as landlord under the Lease, and no other property or assets of any Subsequent Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease; provided, however, that the Tenant may exercise any other right or remedy provided thereby or by law in the event of any failure by Subsequent Landlord to perform any such material obligation.

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

LENDER:

EUROHYPO AG, NEW YORK BRANCH, the
New York branch of a German
banking corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

TENANT:

_____ a _____

By: _____
Name:
Title:

The undersigned accepts and agrees to
the provisions of Section 4 hereof:

LANDLORD:

_____, a

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By: _____
Name:
Title:

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ACKNOWLEDGMENTS

[INSERT STATE SPECIFIC ACKNOWLEDGMENT]

Schedule IV-Page 10

EXHIBIT A

LEGAL DESCRIPTION

Schedule IV-Page 11

(DESCRIPTION OF REA)
INTENTIONALLY DELETED

Schedule. V

SCHEDULE VI
(DESCRIPTION/DIAGRAM OF RELEASE PARCEL)

Schedule. V

PROMISSORY NOTE

\$43,500,000.00

Port Washington, New York

November 1, 2004

FOR VALUE RECEIVED CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company, as maker, having its principal place of business at c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050 ("Borrower"), hereby unconditionally promises to pay to the order of EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation, as lender, having an address at 1114 Avenue of the Americas, Twenty-Ninth Floor, New York, New York 10036 ("Lender"), or at such other place as the holder hereof may from time to time designate in writing, the principal sum of FORTY-THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$43,500,000.00) in lawful money of the United States of America, with interest thereon to be computed from the date of this Note at the Interest Rate, and to be paid in accordance with the terms of this Note and that certain Loan Agreement dated the date hereof between Borrower and Lender (the "Loan Agreement"). All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

ARTICLE 1: PAYMENT TERMS

Borrower agrees to pay the principal sum of this Note and interest on the unpaid principal sum of this Note from time to time outstanding at the rates and at the times specified in Article II of the Loan Agreement and the outstanding balance of the principal sum of this Note and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date.

ARTICLE 2: DEFAULT AND ACCELERATION

The Debt shall without notice become immediately due and payable at the option of Lender if any payment required in this Note is not paid on or prior to the date when due or if not paid on the Maturity Date or on the happening of any other Event of Default.

ARTICLE 3: LOAN DOCUMENTS

This Note is secured by the Mortgage and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Mortgage and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein.

ARTICLE 4: SAVINGS CLAUSE

Notwithstanding anything to the contrary, (a) all agreements between Borrower and Lender are hereby and shall automatically be limited so that, after taking into account all amounts deemed interest, the interest contracted for, charged or received by Lender shall never exceed the maximum lawful rate or

amount, (b) in calculating whether any interest exceeds the lawful maximum, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Borrower to Lender, and (c) if through any contingency or event, Lender receives or is deemed to receive interest in excess of the lawful maximum, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Borrower to Lender, or if there is no such indebtedness, shall immediately be returned to Borrower.

ARTICLE 5: NO ORAL CHANGE

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

ARTICLE 6: WAIVERS

Borrower and all others who may become liable for the payment of all or any part of the Debt do hereby severally waive presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment and all other notices of any kind, other than notices required in accordance with the Loan Documents or applicable law. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Loan Agreement or the other Loan Documents made by agreement between Lender or any other Person shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower or any other Person who may become

liable for the payment of all or any part of the Debt under this Note, the Loan Agreement or the other Loan Documents. No notice to or demand on Borrower shall be deemed to be a waiver of the obligation of Borrower or of the right of Lender to take further action without further notice or demand as provided for in this Note, the Loan Agreement or the other Loan Documents. If Borrower is a partnership or limited liability company, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the individuals comprising the partnership or limited liability company, and the term "Borrower," as used herein, shall include any alternate or successor partnership or limited liability company, but any predecessor partnership or limited liability company and their partners or members shall not thereby be released from any liability. If Borrower is a corporation, the agreements contained herein shall remain in full force and be applicable notwithstanding any changes in the shareholders comprising, or the officers and directors relating to, the corporation, and the term "Borrower," as used herein, shall include any alternative or successor corporation, but any predecessor corporation shall not be relieved of liability hereunder. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership, limited liability company or corporation, which may be set forth in the Loan Agreement, the Mortgage or any other Loan Document.)

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ARTICLE 7: TRANSFER

Upon the transfer of this Note, Borrower hereby waiving notice of any such transfer, Lender may deliver all the collateral mortgaged, granted, pledged or assigned pursuant to the Loan Documents, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to Lender with respect thereto, and Lender shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter, to the extent first arising after such transfer; but Lender shall retain all rights hereby given to it with respect to any liabilities and the collateral not so transferred.

ARTICLE 8: EXCULPATION

The provisions of Section 11.22 of the Loan Agreement are hereby incorporated by reference into this Note to the same extent and with the same force as if fully set forth herein.

ARTICLE 9: GOVERNING LAW

THIS NOTE WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY BORROWER AND ACCEPTED BY LENDER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THIS NOTE WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS NOTE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS NOTE AND THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

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ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS NOTE MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER DOES HEREBY DESIGNATE AND APPOINT:

STUART H. WIDOWSKI
44 SOUTH BAYLES AVENUE
PORT WASHINGTON, NEW YORK 11050

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. BORROWER (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE

AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

ARTICLE 10: NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 11.6 of the Loan Agreement.

[NO FURTHER TEXT ON THIS PAGE]

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IN WITNESS WHEREOF, Borrower has duly executed this Note as of the day and year first above written.

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: Cedar-Franklin Village 2 LLC, a Delaware
limited liability company, its sole member

By: Cedar Shopping Centers Partnership,
L.P., a Delaware limited partnership,
its sole member

By: Cedar Shopping Centers, Inc., a
Maryland corporation, its
general partner

By: _____
Name: Brenda J. Walker
Title: Vice President

=====
CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company, as mortgagor
(Borrower)

to

EUROHYPO AG, NEW YORK BRANCH, as mortgagee
(Lender)

MORTGAGE AND
SECURITY AGREEMENT

Dated: As of November 1, 2004
Location: Franklin, Massachusetts
County: Norfolk

PREPARED BY AND UPON
RECORDATION RETURN TO:

Cadwalader, Wickersham & Taft LLP
100 Maiden Lane
New York, New York 100038
Attention: Michael G. Kavourias, Esq.
Facsimile No.: (212) 504-6666

=====
MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "SECURITY INSTRUMENT") is made as of this 1st day of November, 2004, by CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company, having its principal place of business at c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050, as mortgagor ("BORROWER") for the benefit of EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation, having an address at 1114 Avenue of the Americas, Twenty-Ninth Floor, New York, New York 10036, as mortgagee ("LENDER").

W I T N E S S E T H:

WHEREAS, this Security Instrument is given to secure a loan (the "LOAN") in the principal sum of FORTY-THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$43,500,000.00) pursuant to that certain Loan Agreement dated as of the date hereof between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "LOAN AGREEMENT") and evidenced by that certain Promissory Note dated the date hereof made by Borrower to Lender (such Note, together with all extensions, renewals, replacements, restatements or modifications thereof being hereinafter referred to as the "NOTE");

WHEREAS, Borrower desires to secure the payment of the Debt (as defined in the Loan Agreement) and the performance of all of its obligations under the Note, the Loan Agreement and the other Loan Documents; and

WHEREAS, this Security Instrument is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Borrower of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement and the Note, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Security Instrument (the Loan Agreement, the Note, this Security Instrument, that certain Assignment of Leases and Rents of even date herewith made by Borrower in favor of Lender (the "ASSIGNMENT OF LEASES") and all other documents evidencing or securing the Debt or delivered in connection with the making of the Loan are hereinafter referred to collectively as the "LOAN DOCUMENTS").

NOW THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Security Instrument:

Article 1 - GRANTS OF SECURITY

Section 1.1 PROPERTY MORTGAGED. Borrower does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Lender and its successors and

assigns the following property, rights, interests and estates now owned, or hereafter acquired by Borrower (collectively, the "PROPERTY"): \

(a) Land. The real property described in Exhibit A attached hereto and made a part hereof (the "LAND");

(b) Additional Land. All additional lands, estates and development rights hereafter acquired by Borrower for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Security Instrument;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the "IMPROVEMENTS");

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(e) Equipment. All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Borrower, which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Borrower and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "EQUIPMENT"). Notwithstanding the foregoing, Equipment shall not include any property belonging to tenants under leases except to the extent that Borrower shall have any right or interest therein;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Borrower which is so related to the Land and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state in which the Equipment is located, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing,

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laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Borrower's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "FIXTURES"). Notwithstanding the foregoing, "Fixtures" shall not include any property which tenants are entitled to remove pursuant to leases except to the extent that Borrower shall have any right or interest therein;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and

permits, and all other personal property of any kind or character whatsoever (as defined in and subject to the provisions of the Uniform Commercial Code as hereinafter defined), other than Fixtures, which are now or hereafter owned by Borrower and which are located within or about the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the "PERSONAL PROPERTY"), and the right, title and interest of Borrower in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (the "UNIFORM COMMERCIAL CODE"), superior in lien to the lien of this Security Instrument and all proceeds and products of the above;

(h) Leases and Rents. All leases and other agreements affecting the use, enjoyment or occupancy of the Land and the Improvements heretofore or hereafter entered into, whether before or after the filing by or against Borrower of any petition for relief under 11 U.S.C. ss.101 et seq., as the same may be amended from time to time (the "BANKRUPTCY CODE") (collectively, the "LEASES") and all right, title and interest of Borrower, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code (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 Debt;

(i) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(j) Insurance Proceeds. All proceeds in respect of the Property under any insurance policies covering the Property, which are required by Lender under the Loan Agreement, including, without limitation, the right to receive and

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apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property;

(k) Tax Certiorari. All refunds, rebates or credits in connection with reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction;

(l) Rights. The right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting any business or activity conducted on the Land and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Borrower thereunder;

(n) Trademarks. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(o) Proceeds. All proceeds of any of the foregoing, including, without limitation, proceeds of insurance and condemnation awards, whether cash, liquidation or other claims or otherwise; and

(p) Other Rights. Any and all other rights of Borrower in and to the items set forth in Subsections (a) through (o) above.

AND without limiting any of the other provisions of this Security Instrument, to the extent permitted by applicable law, Borrower expressly grants to Lender, as secured party, a security interest in the portion of the Property which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Land (the Land, the Improvements and the Fixtures collectively referred to as the "REAL PROPERTY") appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Security Instrument be deemed conclusively to be real estate and mortgaged hereby.

Section 1.2 ASSIGNMENT OF RENTS. Borrower hereby absolutely and unconditionally assigns to Lender all of Borrower's right, title and interest in and to all current and future Leases and Rents; it being intended by Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of the Assignment of Leases and Section 7.1(h) of this Security Instrument, Lender grants to Borrower a revocable license to collect, receive, use and enjoy the Rents. Borrower shall hold the Rents, or a portion thereof sufficient to

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discharge all current sums due on the Debt, for use in the payment of such sums.

Section 1.3 SECURITY AGREEMENT. This Security Instrument is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Borrower in the Property. By executing and delivering this Security Instrument, Borrower hereby grants to Lender, as security for the Obligations (hereinafter defined), a security interest in the Fixtures, the Equipment, the Personal Property and other property constituting the Property to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the "COLLATERAL"). If an Event of Default shall occur and be continuing, Lender, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, 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, the right to take possession of the Collateral or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Lender after the occurrence and during the continuance of an Event of Default, Borrower shall, at its expense, assemble the Collateral and make it available to Lender at a convenient place (at the Land if tangible property) reasonably acceptable to Lender. Borrower shall pay to Lender on demand any and all expenses, including reasonable legal expenses and attorneys' fees, incurred or paid by Lender in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Lender with respect to the Collateral sent to Borrower in accordance with the provisions hereof at least ten (10) business days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Borrower. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper. The principal place of business of Borrower (Debtor) is as set forth on page one hereof and the address of Lender (Secured Party) is as set forth on page one hereof.

Section 1.4 FIXTURE FILING. Certain of the Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the Land, described or referred to in this Security Instrument, and this Security Instrument, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is or may become fixtures.

Section 1.5 PLEDGES OF MONIES HELD. Borrower hereby pledges to Lender any and all monies now or hereafter held by Lender or on behalf of Lender in connection with the Loan, including, without limitation, any sums deposited in the Accounts (as defined in the Cash Management Agreement) and Net Proceeds, as additional security for the Obligations until expended or applied as provided in this Security Instrument.

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CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Lender and its successors and assigns, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Borrower shall well and truly pay to Lender the Debt at the time and in the manner provided in the Note, the Loan Agreement and this Security Instrument, shall well and truly perform the Other Obligations as set forth in this Security Instrument and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note, the Loan Agreement and the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void; provided, however, that Borrower's obligation to indemnify and hold harmless Lender pursuant to the provisions hereof shall survive any such payment or release.

Section 2.1 DEBT. This Security Instrument and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the Debt.

Section 2.2 OTHER OBLIGATIONS. This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (the "OTHER OBLIGATIONS"):

(a) the performance of all other obligations of Borrower contained herein;

(b) the performance of each obligation of Borrower contained in the Loan Agreement and any other Loan Document; and

(c) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

Section 2.3 DEBT AND OTHER OBLIGATIONS. Borrower's obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively herein as the "OBLIGATIONS."

Article 3 - BORROWER COVENANTS

Borrower covenants and agrees that:

Section 3.1 PAYMENT OF DEBT. Borrower will pay the Debt at the time and in the manner provided in the Loan Agreement, the Note and this Security Instrument.

Section 3.2 INCORPORATION BY REFERENCE. All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note and (c) all and any of the other Loan Documents, are hereby made a part of this Security

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Instrument to the same extent and with the same force as if fully set forth herein.

Section 3.3 INSURANCE. Borrower shall obtain and maintain, or cause to be maintained, in full force and effect at all times, insurance with respect to Borrower and the Property in the form and amounts as required pursuant to the Loan Agreement.

Section 3.4 MAINTENANCE OF PROPERTY. Borrower shall cause the Property to be maintained in a good and safe condition and repair. Subject to the Loan Agreement, the Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Lender. Subject to the Loan Agreement, Borrower shall promptly repair, replace or rebuild any part of the Property which may be destroyed by any Casualty or become damaged, worn or dilapidated or which may be affected by any Condemnation, and shall complete and pay for any structure at any time in the process of construction or repair on the Land.

Section 3.5 WASTE. Borrower shall not commit or suffer any physical waste of the Property or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or allow the cancellation of any Policy, or do or permit to be done thereon anything that may in any way materially impair the value of the Property or the security of this Security Instrument. Borrower will not, without the prior written consent of Lender, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof.

Section 3.6 PAYMENT FOR LABOR AND MATERIALS. (a) Borrower will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("LABOR AND MATERIAL COSTS") incurred in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests hereof, and in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof except for the Permitted Encumbrances.

(b) After prior written notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Labor and Material Costs, provided that (i) no Event of Default has occurred and is continuing under the Loan Agreement, the Note, this Security Instrument or any of the other Loan Documents, (ii) Borrower is permitted to do so under the provisions of any other mortgage, deed of trust or deed to secure debt affecting the Property, (iii) such proceeding shall

suspend the collection of the Labor and Material Costs from Borrower and from the Property or Borrower shall have paid all of the Labor and Material Costs under protest, (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower is subject and shall not constitute a default thereunder, (v) neither the Property nor any part thereof or interest therein will be in danger of being sold,

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forfeited, terminated, canceled or lost, and (vi) Borrower shall have furnished the security as may be required in the proceeding, or as may be reasonably requested by Lender to insure the payment of any contested Labor and Material Costs, together with all interest and penalties thereon.

Section 3.7 PERFORMANCE OF OTHER AGREEMENTS. Borrower shall observe and perform each and every term, covenant and provision to be observed or performed by Borrower pursuant to the Loan Agreement, any other Loan Document and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.8 CHANGE OF NAME, IDENTITY OR STRUCTURE. Borrower shall not change Borrower's name, identity (including its trade name or names) or, if not an individual, Borrower's corporate, partnership or other structure without first (a) notifying Lender of such change in writing at least thirty (30) days prior to the effective date of such change, (b) taking all action required by Lender for the purpose of perfecting or protecting the lien and security interest of Lender and (c) in the case of a change in Borrower's structure, without first obtaining the prior written consent of Lender; provided, however that in connection with any such change in Borrower's name or corporate identity Borrower shall have no obligation to pay to Lender a transfer fee. Borrower shall promptly notify Lender in writing of any change in its organizational identification number. If Borrower does not now have an organizational identification number and later obtains one, Borrower shall promptly notify Lender in writing of such organizational identification number. Borrower shall execute and deliver to Lender, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change required by Lender to establish or maintain the validity, perfection and priority of the security interest granted herein. At the request of Lender, Borrower shall execute a certificate in form satisfactory to Lender listing the trade names under which Borrower intends to operate the Property, and representing and warranting that Borrower does business under no other trade name with respect to the Property.

Article 4 - OBLIGATIONS AND RELIANCES

Section 4.1 RELATIONSHIP OF BORROWER AND LENDER. The relationship between Borrower and Lender is solely that of debtor and creditor, and Lender has no fiduciary or other special relationship with Borrower, and no term or condition of any of the Loan Agreement, the Note, this Security Instrument and the other Loan Documents shall be construed so as to deem the relationship between Borrower and Lender to be other than that of debtor and creditor.

Section 4.2 NO RELIANCE ON LENDER. The general partners, members, principals and (if Borrower is a trust) beneficial owners of Borrower are experienced in the ownership and operation of properties similar to the Property, and Borrower and Lender are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property. Borrower is not relying on Lender's expertise, business acumen or advice in connection with the Property.

Section 4.3 NO LENDER OBLIGATIONS. (a) Notwithstanding the provisions of Subsections 1.1(h) and (m) or Section 1.2, Lender is not undertaking the performance of (i) any obligations under the Leases; or (ii) any obligations

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with respect to such agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Lender pursuant to this Security Instrument, the Loan Agreement, the Note or the other Loan Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Lender.

Section 4.4 RELIANCE. Borrower recognizes and acknowledges that in accepting the Loan Agreement, the Note, this Security Instrument and the other Loan Documents, Lender is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Article III of the Loan Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Lender; that such reliance

existed on the part of Lender prior to the date hereof, that the warranties and representations are a material inducement to Lender in making the Loan; and that Lender would not be willing to make the Loan and accept this Security Instrument in the absence of the warranties and representations as set forth in Article III of the Loan Agreement.

Article 5 - FURTHER ASSURANCES

Section 5.1 RECORDING OF SECURITY INSTRUMENT, ETC. Borrower forthwith upon the execution and delivery of this Security Instrument and thereafter, from time to time, will cause this Security Instrument and any of the other Loan Documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the lien or security interest hereof upon, and the interest of Lender in, the Property. Borrower will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, this Security Instrument, the other Loan Documents, any note, deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, any deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

Section 5.2 FURTHER ACTS, ETC. Borrower will, at the cost of Borrower, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Lender shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Lender the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to

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be, or which Borrower may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Security Instrument or for filing, registering or recording this Security Instrument, or for complying with all Legal Requirements; provided that the obligations of Borrower under the Loan Documents are not materially increased and Borrower's rights under the Loan Documents are not decreased. Borrower, on demand, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Lender to execute in the name of Borrower or without the signature of Borrower to the extent Lender may lawfully do so, one or more financing statements (including, without limitation, initial financing statements and amendments thereto and continuation statements) with or without the signature of Borrower as authorized by applicable law, to evidence more effectively the security interest of Lender in the Property. Borrower also ratifies its authorization for Lender to have filed any like initial financing statements, amendments thereto and continuation statements, if filed prior to the date of this Security Instrument. During the continuance of an Event of Default, Borrower grants to 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 at law and in equity, including without limitation such rights and remedies available to Lender pursuant to this Section 5.2. To the extent not prohibited by applicable law, Borrower hereby ratifies all acts Lender has lawfully done in the past or shall lawfully do or cause to be done in the future by virtue of such power of attorney.

Section 5.3 CHANGES IN TAX, DEBT, CREDIT AND DOCUMENTARY STAMP LAWS.

(a) If any law is enacted or adopted or amended after the date of this Security Instrument which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Lender's interest in the Property, Borrower will pay the tax, with interest and penalties thereon, if any. If Lender is advised by counsel chosen by it that the payment of tax by Borrower would be unlawful or taxable to Lender or unenforceable or provide the basis for a defense of usury then Lender shall have the option by written notice of not less than one hundred twenty (120) days to declare the Debt immediately due and payable, without prepayment penalty or premium.

(b) Borrower will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Security Instrument or the Debt. If such claim, credit or deduction shall be required by law, Lender shall have the option, by written notice of not less than one hundred twenty (120) days, to declare the Debt immediately due and payable, without prepayment penalty or premium.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, this Security Instrument, or any of the other Loan Documents or impose any other tax or charge on the same, Borrower will pay for the same, with interest and penalties thereon, if any.

Section 5.4 SPLITTING OF MORTGAGE. This Security Instrument and the Note shall, at any time until the same shall be fully paid and satisfied, at the sole election and cost of Lender, be split or divided into two or more notes and two or more security instruments, each of which shall cover all or a portion of

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the Property to be more particularly described therein. To that end, Borrower, upon written request of Lender, shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered by the then owner of the Property, to Lender and/or its designee or designees substitute notes and security instruments in such principal amounts, aggregating not more than the then unpaid principal amount of the Note, and containing terms, provisions and clauses identical to those contained herein and in the Note, and such other documents and instruments as may be required by Lender; provided that the interest rate set forth in any notes shall be the same as the interest rate provided in the Note, the economic terms and Maturity Date of the notes are identical to those in the Note, the obligations of Borrower under the Loan Documents shall not be increased and Borrower's rights under the Loan Documents shall not be decreased.

Section 5.5 REPLACEMENT DOCUMENTS. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or other Loan Document, Borrower will issue, in lieu thereof, a replacement Note or other Loan Document, dated the date of such lost, stolen, destroyed or mutilated Note or other Loan Document in the same principal amount thereof and otherwise of like tenor.

Article 6 - DUE ON SALE/ENCUMBRANCE

Section 6.1 LENDER RELIANCE. Borrower acknowledges that Lender has examined and relied on the experience of Borrower and its general partners, members, principals and (if Borrower is a trust) beneficial owners in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Borrower's ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations. Borrower acknowledges that Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Borrower default in the repayment of the Debt or the performance of the Other Obligations, Lender can recover the Debt by a sale of the Property.

Section 6.2 NO TRANSFER . Borrower shall not permit or suffer any Transfer to occur, unless specifically permitted by Article 8 of the Loan Agreement or unless Lender shall consent thereto in writing.

Section 6.3 TRANSFER DEFINED. Subject to Section 8 of the Loan Agreement, as used in this Article 6 "TRANSFER" shall mean any voluntary or involuntary sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of: (a) all or any part of the Property or any estate or interest therein including, but not be limited to, (i) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments, (ii) an agreement by Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder and its affiliates or (iii) a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; or (b) any ownership interest in (i) Borrower or (ii) any indemnitor or guarantor of any Obligations or (iii) any corporation, partnership, limited liability company, trust or other entity

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owning, directly or indirectly, any interest in Borrower or any indemnitor or guarantor of any Obligations.

Section 6.4 LENDER'S RIGHTS. Except as otherwise provided in Section 8 of the Loan Agreement, without obligating Lender to grant any consent under Section 6.2 hereof which Lender may grant or withhold in its sole discretion, Lender reserves the right to condition the consent required hereunder upon (a) a modification of the terms hereof and of the Loan Agreement, the Note or the other Loan Documents; (b) an assumption of the Loan Agreement, the Note, this Security Instrument and the other Loan Documents as so modified by the proposed transferee, subject to the provisions of Section 11.22 of the Loan Agreement; (c) payment of all of Lender's expenses actually incurred in connection with such transfer; (d) the confirmation in writing by the applicable Rating Agencies that the proposed transfer will not, in and of itself, result in a downgrade, qualification or withdrawal of the initial, or, if higher, then current ratings assigned in connection with any Securitization; (e) the delivery of a

nonconsolidation opinion reflecting the proposed transfer satisfactory in form and substance to Lender; (f) the proposed transferee's continued compliance with the representations and covenants set forth in Section 3.1.24 and 4.2.8 of the Loan Agreement; (g) the delivery of evidence satisfactory to Lender that the single purpose nature and bankruptcy remoteness of Borrower, its shareholders, partners or members, as the case may be, following such transfers are in accordance with the standards of the Rating Agencies; (h) the proposed transferee's ability to satisfy Lender's then-current underwriting standards; or (i) such other conditions as Lender shall determine in its reasonable discretion to be in the interest of Lender, including, without limitation, the creditworthiness, reputation and qualifications of the transferee with respect to the Loan and the Property. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon a Transfer without Lender's consent. This provision shall apply to every Transfer, other than any Transfer permitted pursuant to the Loan Agreement, regardless of whether voluntary or not, or whether or not Lender has consented to any previous Transfer.

Article 7 - RIGHTS AND REMEDIES UPON DEFAULT

Section 7.1 REMEDIES. Upon the occurrence and during the continuance of any Event of Default, Borrower agrees that Lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

(a) declare the entire unpaid Debt to be immediately due and payable;

(b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law, in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and

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payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Debt not then due, unimpaired and without loss of priority;

(d) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, the Loan Agreement or in the other Loan Documents;

(f) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Security Instrument or the other Loan Documents;

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Borrower, any guarantor, indemnitor with respect to the Loan or of any Person liable for the payment of the Debt;

(h) the license granted to Borrower under Section 1.2 hereof shall automatically be revoked and Lender may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Borrower and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Borrower and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Borrower agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Lender deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Borrower with respect to the Property, whether in the name of Borrower or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Borrower

to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Borrower; (vi) require Borrower to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Debt, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees;

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(i) 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 Fixtures, the Equipment and the Personal Property, or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and the Personal Property, and (ii) request Borrower at its expense to assemble the Fixtures, the Equipment and the Personal Property and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Fixtures, the Equipment and/or the Personal Property sent to Borrower in accordance with the provisions hereof at least five (5) days prior to such action, shall constitute commercially reasonable notice to Borrower;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of Lender in accordance with the terms of the Loan Agreement, this Security Instrument or any other Loan Document to the payment of the following items in any order in its uncontrolled discretion:

(i) Taxes and Other Charges;

(ii) Insurance Premiums;

(iii) Interest on the unpaid principal balance of the Note;

(iv) intentionally omitted;

(v) All other sums payable pursuant to the Note, the Loan Agreement, this Security Instrument and the other Loan Documents, including without limitation advances made by Lender pursuant to the terms of this Security Instrument;

(k) pursue such other remedies as Lender may have under applicable law;

or

(l) apply the undisbursed balance of any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as Lender shall deem to be appropriate in its discretion.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.2 APPLICATION OF PROCEEDS. The purchase money, proceeds and avails of any disposition of the Property, and or any part thereof, or any other sums collected by Lender pursuant to the Note, this Security Instrument or the other Loan Documents, may be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper.

Section 7.3 RIGHT TO CURE DEFAULTS. Upon the occurrence and during the continuance of any Event of Default, Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make or do the same in such manner and to such

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extent as Lender may deem necessary to protect the security hereof. Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 7.3, shall constitute a portion of the Debt and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying such Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate, for the period after notice from Lender that such cost or expense was incurred to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the

Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Security Instrument and the other Loan Documents and shall be immediately due and payable upon demand by Lender therefor.

Section 7.4 ACTIONS AND PROCEEDINGS. Lender has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Borrower, which Lender, in its discretion, decides should be brought to protect its interest in the Property.

Section 7.5 RECOVERY OF SUMS REQUIRED TO BE PAID. Lender shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Borrower existing at the time such earlier action was commenced.

Section 7.6 EXAMINATION OF BOOKS AND RECORDS. At reasonable times and upon reasonable notice, Lender, its agents, accountants and attorneys shall have the right to examine the records, books, management and other papers of Borrower which reflect upon its financial condition, at the Property or at any office regularly maintained by Borrower where the books and records are located. Lender and its agents shall have the right to make copies and extracts from the foregoing records and other papers. In addition, at reasonable times and upon reasonable notice, Lender, its agents, accountants and attorneys shall have the right to examine and audit the books and records of Borrower pertaining to the income, expenses and operation of the Property during reasonable business hours at any office of Borrower where the books and records are located. This Section 7.6 shall apply throughout the term of the Note and without regard to whether an Event of Default has occurred or is continuing, provided that any entry and inspection hereunder shall be conducted in a manner designed to minimize interference with Borrower or the operation of the Property.

Section 7.7 OTHER RIGHTS, ETC. (a) The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Security Instrument. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (i) the failure of Lender to comply with any request of Borrower or any guarantor or indemnitor with respect to the Loan to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Debt or any portion thereof, or (iii) any

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agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Security Instrument or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Borrower, and Lender shall have no liability whatsoever for decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Lender shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in Lender's possession.

(c) Lender may resort for the payment of the Debt to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Lender may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to foreclose this Security Instrument. The rights of Lender under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.8 RIGHT TO RELEASE ANY PORTION OF THE PROPERTY. Lender may release any portion of the Property for such consideration as Lender may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Lender for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Lender may require without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Property.

Section 7.9 VIOLATION OF LAWS. If the Property is not in material compliance with Legal Requirements and such noncompliance results in a Material Adverse Effect, Lender may impose additional requirements upon Borrower in

connection herewith including, without limitation, monetary reserves or financial equivalents.

Section 7.10 RECOURSE AND CHOICE OF REMEDIES. Notwithstanding any other provision of this Security Instrument or the Loan Agreement, including, without limitation, Section 11.22 of the Loan Agreement, Lender and other Indemnified Parties (as hereinafter defined) are entitled to enforce the obligations of Borrower, any guarantor and indemnitor contained in Sections 9.2 and 9.3 herein without first resorting to or exhausting any security or collateral and without first having recourse to the Note or any of the Property, through foreclosure or acceptance of a deed in lieu of foreclosure or otherwise, and in the event Lender commences a foreclosure action against the Property, Lender is entitled to pursue a deficiency judgment with respect to such obligations against Borrower and any guarantor or indemnitor with respect to the Loan. The provisions of Sections 9.2 and 9.3 herein are exceptions to any non-recourse or exculpation provisions in the Loan Agreement, the Note, this Security Instrument

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or the other Loan Documents, and Borrower and any guarantor or indemnitor with respect to the Loan are fully and personally liable for the obligations pursuant to Sections 9.2 and 9.3 herein. The liability of Borrower and any guarantor or indemnitor with respect to the Loan pursuant to Sections 9.2 and 9.3 herein is not limited to the original principal amount of the Note. Notwithstanding the foregoing, nothing herein shall inhibit or prevent Lender from foreclosing or exercising any other rights and remedies pursuant to the Loan Agreement, the Note, this Security Instrument and the other Loan Documents, whether simultaneously with foreclosure proceedings or in any other sequence. A separate action or actions may be brought and prosecuted against Borrower pursuant to Sections 9.2 and 9.3 herein, whether or not action is brought against any other Person or whether or not any other Person is joined in the action or actions. In addition, Lender shall have the right but not the obligation to join and participate in, as a party if it so elects, any administrative or judicial proceedings or actions initiated in connection with any matter addressed in the Environmental Indemnity.

Section 7.11 RIGHT OF ENTRY. Upon reasonable notice to Borrower, Lender and its agents shall have the right to enter and inspect the Property at all reasonable times.

Article 8 - INTENTIONALLY OMITTED

Article 9 - INDEMNIFICATION

Section 9.1 GENERAL INDEMNIFICATION. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, (including but not limited to reasonable attorneys' fees and other costs of defense) (collectively, the "LOSSES") imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following, except to the extent caused by the gross negligence, willful misconduct or bad faith by an Indemnified Party of any of the Loan Documents: (a) ownership of this Security Instrument, the Property or any interest therein or receipt of any Rents; (b) any amendment to, or restructuring of, the Debt, and the Note, the Loan Agreement, this Security Instrument, or any other Loan Documents; (c) any and all lawful action that may be taken by Lender in connection with the enforcement of the provisions of this Security Instrument or the Loan Agreement or the Note or any of the other Loan Documents, whether or not suit is filed in connection with same, or in connection with Borrower, any guarantor or indemnitor and/or any partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding; (d) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (e) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (f) any failure on the part of Borrower to perform or be in compliance with any of the terms of this Security Instrument; (g) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (h) the failure of any person to file timely with the Internal Revenue Service an accurate Form 1099-B, Statement for

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Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions, which may be required in connection with this Security Instrument, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which this Security Instrument is made; (i) any failure of the Property to be in compliance with any Legal Requirements; (j) the enforcement by any Indemnified Party of the provisions of this Article 9; (k) any and all claims and demands whatsoever which may be asserted against

Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; (l) the payment of any commission, charge or brokerage fee to anyone claiming through Borrower which may be payable in connection with the funding of the Loan; or (m) any misrepresentation made by Borrower in this Security Instrument or any other Loan Document. Any amounts payable to Lender by reason of the application of this Section 9.1 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. For purposes of this Article 9, the term "INDEMNIFIED PARTIES" means Lender and any Person who is or will have been involved in the origination of the Loan, any Person who is or will have been involved in the servicing of the Loan secured hereby, any Person in whose name the encumbrance created by this Security Instrument is or will have been recorded, persons and entities who may hold or acquire or will have held a full or partial interest in the Loan secured hereby (including, but not limited to, investors or prospective investors in the Securities, as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan secured hereby for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including but not limited to any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan, whether during the term of the Loan or as a part of or following a foreclosure of the Loan and including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of Lender's assets and business).

Section 9.2 MORTGAGE AND/OR INTANGIBLE TAX. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any tax on the making and/or recording of this Security Instrument, the Note or any of the other Loan Documents, but excluding any withholding, income, franchise or other similar taxes.

Section 9.3 ERISA INDEMNIFICATION. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense, and settlement of Losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Lender's sole discretion) that Lender may incur, directly or indirectly, as a result of a default under Sections 3.1.8 or 4.2.8 of the Loan Agreement.

Section 9.4 INTENTIONALLY OMITTED.

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Section 9.5 DUTY TO DEFEND; ATTORNEYS' FEES AND OTHER FEES AND EXPENSES. Upon written request by any Indemnified Party, Borrower shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals reasonably approved by the Indemnified Parties. Notwithstanding the foregoing, if the defendants in any such claim or proceeding include both Borrower and any Indemnified Party and Borrower and such Indemnified Party shall have reasonably concluded that a conflict exists, such Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party, provided that no compromise or settlement shall be entered without Borrower's consent, which consent shall not be unreasonably withheld. Upon demand, Borrower shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals actually incurred in connection therewith.

Article 10 - WAIVERS

Section 10.1 WAIVER OF COUNTERCLAIM. To the extent permitted by applicable law, Borrower hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Lender arising out of or in any way connected with this Security Instrument, the Loan Agreement, the Note, any of the other Loan Documents, or the Obligations; provided, however, that such waiver shall not preclude borrower' assertion of such claims in a separate action against Lender.

Section 10.2 MARSHALLING AND OTHER MATTERS. To the extent permitted by applicable law, Borrower hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Borrower, and on behalf of each and every person acquiring any interest in or title to the

Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by applicable law.

Section 10.3 WAIVER OF NOTICE. To the extent permitted by applicable law, Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Security Instrument and the other Loan Documents specifically and expressly provides for the giving of notice by Lender to Borrower and except with respect to matters for which Lender is required by applicable law to give notice, and Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 10.4 WAIVER OF STATUTE OF LIMITATIONS. To the extent permitted by applicable law, Borrower hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment of the Debt or performance of its Other Obligations.

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Section 10.5 SURVIVAL. The indemnifications made pursuant to Section 9.3 herein and, subject to the provisions of the Environmental Indemnity, the representations and warranties, covenants, and other obligations arising under the Environmental Indemnity arising during the period of time Borrower owns the Property, shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by: any satisfaction or other termination of this Security Instrument, any assignment or other transfer of all or any portion of this Security Instrument or Lender's interest in the Property (but, in such case, shall benefit both Indemnified Parties and any assignee or transferee), any exercise of Lender's rights and remedies pursuant hereto including but not limited to foreclosure or acceptance of a deed in lieu of foreclosure, any exercise of any rights and remedies pursuant to the Loan Agreement, the Note or any of the other Loan Documents, any transfer of all or any portion of the Property (whether by Borrower or by Lender following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time), any amendment to this Security Instrument, the Loan Agreement, the Note or the other Loan Documents, and any act or omission that might otherwise be construed as a release or discharge of Borrower from the obligations pursuant hereto.

Article 11 - EXCULPATION

The provisions of Section 11.22 of the Loan Agreement are hereby incorporated by reference into this Security Instrument to the same extent and with the same force as if fully set forth herein.

Article 12 - NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 11.6 of the Loan Agreement.

Article 13 - APPLICABLE LAW

Section 13.1 GOVERNING LAW. (A) THIS SECURITY INSTRUMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY BORROWER AND ACCEPTED BY LENDER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE SECURED HEREBY WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS SECURITY INSTRUMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY SHALL BE GOVERNED BY AND

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CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS SECURITY INSTRUMENT OR THE OTHER LOAN DOCUMENTS, AND THIS SECURITY INSTRUMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO Section 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(B) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS SECURITY INSTRUMENT MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE

AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER DOES HEREBY DESIGNATE AND APPOINT

STUART H. WIDOWSKI
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PORT WASHINGTON, NEW YORK 11050

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. BORROWER (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN

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OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 13.2 USURY LAWS. Notwithstanding anything to the contrary, (a) all agreements and communications between Borrower and Lender are hereby and shall automatically be limited so that, after taking into account all amounts deemed interest, the interest contracted for, charged or received by Lender shall never exceed the maximum lawful rate or amount, (b) in calculating whether any interest exceeds the lawful maximum, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Borrower to Lender, and (c) if through any contingency or event, Lender receives or is deemed to receive interest in excess of the lawful maximum, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Borrower to Lender, or if there is no such indebtedness, shall immediately be returned to Borrower.

Section 13.3 PROVISIONS SUBJECT TO APPLICABLE LAW. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

Article 14 - DEFINITIONS

All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word "BORROWER" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "LENDER" shall mean "Lender and any subsequent holder of the Note," the word "NOTE" shall mean "the Note and any other evidence of indebtedness secured by this Security Instrument," the word "PROPERTY" shall include any portion of the Property and any interest therein, and the phrases "ATTORNEYS' FEES", "LEGAL FEES" and "COUNSEL FEES" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder.

Article 15 - MISCELLANEOUS PROVISIONS

Section 15.1 NO ORAL CHANGE. This Security Instrument, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

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Section 15.2 SUCCESSORS AND ASSIGNS. This Security Instrument shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.

Section 15.3 INAPPLICABLE PROVISIONS. If any term, covenant or condition of the Loan Agreement, the Note or this Security Instrument is held to be invalid, illegal or unenforceable in any respect, the Loan Agreement, the

Note and this Security Instrument shall be construed without such provision.

Section 15.4 HEADINGS, ETC. The headings and captions of various Sections of this Security Instrument 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.

Section 15.5 NUMBER AND GENDER. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 15.6 SUBROGATION. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of Borrower's obligations hereunder, under the Loan Agreement, the Note and the other Loan Documents and the performance and discharge of the Other Obligations.

Section 15.7 ENTIRE AGREEMENT. The Note, the Loan Agreement, this Security Instrument and the other Loan Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the Debt and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect thereto. Borrower hereby acknowledges that, except as incorporated in writing in the Note, the Loan Agreement, this Security Instrument and the other Loan Documents, there are not, and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Note, the Loan Agreement, this Security Instrument and the other Loan Documents.

Section 15.8 LIMITATION ON LENDER'S RESPONSIBILITY. No provision of this Security Instrument shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Lender, nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger until such time as Lender or its designee takes title to the Property. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession."

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Article 16 - MASSACHUSETTS -SPECIFIC PROVISIONS

Section 16.1 PRINCIPLES OF CONSTRUCTION. In the event of any inconsistencies between the terms and conditions of this Article 16 and the other terms and conditions of this Security Instrument, the terms and conditions of this Article 16 shall control and be binding.

Section 16.2 BORROWER'S INTEREST IN THE PROPERTY. Borrower has good and marketable fee simple title to the Property. Borrower will preserve its interest in and title to the Property and will forever defend same.

Section 16.3 STATUTORY POWER OF SALE.

(a) This Mortgage is intended to constitute: (i) a mortgage deed under Massachusetts General Laws c. 183, ss.18, (ii) a security agreement and financing statement under the Uniform Commercial Code as enacted in the Commonwealth of Massachusetts, and (iii) a notice of assignment of rents or profits under Massachusetts General Laws c. 183 ss.4. This Mortgage is also intended to operate and be construed as an absolute present assignment of the rents, issues and profits of the Property, Borrower hereby agreeing, as provided for in Massachusetts General Laws c. 183, ss.26, that Lender is entitled to receive the rents, issues and profits of the Property prior to an Event of Default and without entering upon or taking possession of the Property.

(b) This Mortgage is granted by Borrower WITH MORTGAGE COVENANTS and upon the STATUTORY CONDITION and upon the further condition that all covenants and agreements on the part of the Borrower herein undertaken shall be kept and fully and seasonably performed and that no breach of any other of the conditions specified herein shall be permitted, for any breach of which conditions, the Lender shall have the STATUTORY POWER OF SALE.

Section 16.4 SALE OR OTHER DISPOSITION OF THE PROPERTY. Any sale or other disposition of the Property may be at public or private sale, to the extent such private sale is authorized under the provisions of the Uniform

Notary Public
My Commission Expires: -----

EXHIBIT A
LEGAL DESCRIPTION

=====
CEDAR-FRANKLIN VILLAGE LLC, as assignor
(Borrower)

to

EUROHYPO AG, NEW YORK BRANCH, as assignee
(Lender)

ASSIGNMENT
OF LEASES AND RENTS

Dated: As of November 1, 2004
Location: Franklin, Massachusetts
County: Norfolk

PREPARED BY AND UPON
RECORDATION RETURN TO:

Cadwalader, Wickersham & Taft LLP
100 Maiden Lane
New York, New York 10038
Attention: Michael G. Kavourias, Esq.
Facsimile No.: (212) 504-6666

=====
THIS ASSIGNMENT OF LEASES AND RENTS (this "ASSIGNMENT") made as of the 1st day of November, 2004, by CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company, as assignor, having its principal place of business at c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050 ("BORROWER") to EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation, as assignee, having an address at 1114 Avenue of the Americas, Twenty-Ninth Floor, New York, New York 10036 ("Lender").

W I T N E S S E T H:
- - - - -

WHEREAS, this Assignment is given in connection with a loan in the principal sum of FORTY-THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$43,500,000.00) (the "LOAN") made by Lender to Borrower pursuant to that certain Loan Agreement dated as of the date hereof (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "LOAN AGREEMENT") and evidenced by that certain Promissory Note dated the date hereof made by Borrower to Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "NOTE");

WHEREAS, the Note is secured by that certain Mortgage and Security Agreement dated the date hereof (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "MORTGAGE") made by Borrower for the benefit of Lender; and

WHEREAS, Borrower desires to further secure the payment of the Debt (as defined in the Loan Agreement) and the performance of all of its obligations under the Note, the Loan Agreement and the other Loan Documents.

NOW THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Assignment:

ARTICLE 1 - ASSIGNMENT

Section 1.1 PROPERTY ASSIGNED. Borrower hereby absolutely and

unconditionally assigns and grants to Lender the following property, rights, interests and estates, now owned, or hereafter acquired by Borrower (the "ASSIGNED PROPERTY"):

(A) LEASES. All existing and future "leases" and "lease provisions" (as described in Exhibit B annexed hereto and made a part hereof) affecting the use, enjoyment, or occupancy of all or any part of that certain lot or piece of land, more particularly described in Exhibit A annexed hereto and made a part hereof, or all or any part of the buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter located thereon (collectively, the "PROPERTY") and the right, title and interest of Borrower, its successors and assigns, therein and thereunder.

(B) OTHER LEASES AND AGREEMENTS. All other leases and other agreements, whether or not in writing, affecting the use, enjoyment or occupancy of the Property or any portion thereof now or hereafter made, whether made before or after the filing by or against Borrower of any petition for relief under 11 U.S.C. ss. 101 et seq., as the same may be amended from time to time (the "BANKRUPTCY CODE") together with any extension, renewal or replacement of the same, this Assignment of other present and future leases and present and future agreements being effective without further or supplemental assignment. The "leases" and the "lease provisions" described in Subsection 1.1(a) and the leases and other agreements described in this Subsection 1.1(b) are collectively referred to as the "LEASES".

(C) RENTS. All "rents" (as described in Exhibit B annexed hereto and made a part hereof) whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code (collectively, the "RENTS").

(D) BANKRUPTCY CLAIMS. 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 to the maximum extent permissible under the Bankruptcy Code and/or all other applicable federal, state and local laws, the right to reject or confirm Leases in any bankruptcy proceeding of the Borrower or relating to the Property.

(E) LEASE GUARANTIES. All of Borrower's right, title and interest in and claims under any and all lease guaranties, letters of credit and any other credit support (individually, a "LEASE GUARANTY", collectively, the "LEASE GUARANTIES") given by any guarantor in connection with any of the Leases or leasing commissions (individually, a "LEASE GUARANTOR", collectively, the "LEASE GUARANTORS") to Borrower.

(F) PROCEEDS. All proceeds from the sale or other disposition of the Leases, the Rents, the Lease Guaranties and the Bankruptcy Claims.

(G) OTHER. All rights, powers, privileges, options and other benefits of Borrower as lessor under the Leases and beneficiary under the Lease Guaranties, including without limitation the immediate and continuing right to make claim for, receive, collect and receipt for all Rents payable or receivable under the Leases and all sums payable under the Lease Guaranties or pursuant thereto (and to apply the same to the payment of the Debt or the Other Obligations), and to do all other things which Borrower or any lessor is or may become entitled to do under the Leases or the Lease Guaranties.

(H) ENTRY. The right, at Lender's option, upon revocation of the license granted herein, to enter upon the Property in person, by agent or by court-appointed receiver, to collect the Rents.

(I) POWER OF ATTORNEY. Upon an uncured Event of Default, Borrower's irrevocable power of attorney, coupled with an interest, to take any and all of the actions set forth in Section 3.1 and 3.5 of this Assignment and any or all other actions designated by Lender for the proper management and preservation of the Property.

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(J) OTHER RIGHTS AND AGREEMENTS. Any and all other rights of Borrower in and to the items set forth in subsections (a) through (i) above, and all amendments, modifications, replacements, renewals and substitutions thereof.

ARTICLE 2 - TERMS OF ASSIGNMENT

Section 2.1 PRESENT ASSIGNMENT AND LICENSE BACK. It is intended by Borrower that this Assignment constitute a present, absolute assignment of the Assigned Property, and not an assignment for additional security only. Nevertheless, subject to the terms of this Section 2.1 and the Cash Management Agreement, Lender grants to Borrower a revocable license to collect, receive, use and enjoy the Rents, as well as other sums due under or arising from the Assigned Property and to otherwise take all actions with respect to the Assigned Property not expressly prohibited under the Loan Documents. Borrower shall hold the Rents, as well as all sums received pursuant to or arising from any Assigned Property, or a portion thereof sufficient to discharge all current sums due on

the Debt, in trust for the benefit of Lender for use in the payment of such sums.

Section 2.2 NOTICE TO LESSEES. Borrower hereby authorizes and directs the lessees named in the Leases or any other future lessees or occupants of the Property and all Lease Guarantors to pay over to Lender or to such other party as Lender directs all Rents and all sums due under or arising from any Assigned Property upon receipt from Lender of written notice to the effect that Lender is then the holder of this Assignment and that an Event of Default (as defined in the Loan Agreement) exists, and to continue so to do until otherwise notified by Lender.

Section 2.3 INCORPORATION BY REFERENCE. All representations, warranties, covenants, conditions and agreements contained in the Loan Agreement and the other Loan Documents as same may be modified, renewed, substituted or extended are hereby made a part of this Assignment to the same extent and with the same force as if fully set forth herein.

ARTICLE 3 - REMEDIES

Section 3.1 REMEDIES OF LENDER. For so long as an Event of Default exists, the license granted to Borrower in Section 2.1 of this Assignment shall automatically be revoked, and Lender shall immediately be entitled to possession of all Rents and sums due under or arising from any Assigned Property, whether or not Lender enters upon or takes control of the Property. In addition, Lender may, at its option, without waiving such Event of Default, without regard to the adequacy of the security for the Debt, either in person or by agent, nominee or attorney, with or without bringing any action or proceeding, or by a receiver appointed by a court, dispossess Borrower and its agents and servants from the Property, without liability for trespass, damages or otherwise and exclude Borrower and its agents or servants wholly therefrom, and take possession of the Property and all books, records and accounts relating thereto and have, hold, manage, lease and operate the Property on such terms and for such period of time as Lender may deem proper and either with or without taking possession of the Property in its own name, demand, sue for or otherwise collect and receive all Rents and sums due under or arising from all Assigned Property, including those past due and unpaid with full power to make from time to time all alterations,

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renovations, repairs or replacements thereto or thereof as Lender may deem proper and may apply the Rents and sums received pursuant to or arising from any Assigned Property to the payment of the following in such order and proportion as Lender in its sole discretion may determine, any law, custom or use to the contrary notwithstanding: (a) all expenses of managing and securing the Property, including, without being limited thereto, the salaries, fees and wages of a managing agent and such other employees or agents as Lender may deem necessary or desirable and all expenses of operating and maintaining the Property, including, without being limited thereto, all taxes, charges, claims, assessments, water charges, sewer rents and any other liens, and premiums for all insurance which Lender may deem necessary or desirable, and the cost of all alterations, renovations, repairs or replacements, and all expenses incident to taking and retaining possession of the Property; and (b) the Debt, together with all costs and reasonable attorneys' fees. In addition, upon the occurrence and during the continuation of an Event of Default, Lender, at its option, may (1) complete any construction on the Property in such manner and form as Lender deems advisable, (2) exercise all rights and powers of Borrower, including, without limitation, the right to negotiate, execute, cancel, enforce or modify Leases or any related guarantees, obtain and evict tenants, and demand, sue for, collect and receive all Rents from the Property and all sums due under or arising from any Assigned Property, (3) either require Borrower to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupancy of such part of the Property as may be in possession of Borrower or (4) require Borrower to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise.

Section 3.2 OTHER REMEDIES. Nothing contained in this Assignment and no act done or omitted by Lender pursuant to the power and rights granted to Lender hereunder shall be deemed to be a waiver by Lender of its rights and remedies under the Loan Agreement, the Note, or the other Loan Documents and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Lender under the terms thereof. The right of Lender to collect the Debt and to enforce any other security therefor held by it may be exercised by Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder. Borrower hereby absolutely, unconditionally and irrevocably waives any and all rights to assert any setoff, counterclaim or crossclaim of any nature whatsoever with respect to the obligations of Borrower under this Assignment, the Loan Agreement, the Note, the other Loan Documents or otherwise with respect to the Loan in any action or proceeding brought by Lender to collect same, or any portion thereof, or to enforce and realize upon the lien and security interest created by this Assignment, the Loan Agreement, the Note, or any of the other Loan Documents (provided, however, that the foregoing shall not be deemed a waiver of Borrower's right to assert any compulsory counterclaim if such counterclaim is compelled under local law or rule of procedure, nor

shall the foregoing be deemed a waiver of Borrower's right to assert any claim which would constitute a defense, setoff, counterclaim or crossclaim of any nature whatsoever against Lender in any separate action or proceeding).

Section 3.3 OTHER SECURITY. Lender may take or release other security for the payment of the Debt, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the reduction or satisfaction of the Debt without prejudice to any of its rights under this Assignment.

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Section 3.4 NON-WAIVER. The exercise by Lender of the option granted it in Section 3.1 of this Assignment and the collection of the Rents and sums due under or arising from the Assigned Property and the application thereof as herein provided shall not be considered a waiver of any default by Borrower under the Note, the Loan Agreement, the Leases, this Assignment or the other Loan Documents. The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Assignment. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (a) the failure of Lender to comply with any request of Borrower or any other party to take any action to enforce any of the provisions hereof or of the Loan Agreement, the Note or the other Loan Documents, (b) the release regardless of consideration, of the whole or any part of the Property, or (c) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of this Assignment, the Loan Agreement, the Note, or the other Loan Documents. Lender may resort for the payment of the Debt to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Lender may take any action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to enforce its rights under this Assignment. The rights of Lender under this Assignment shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

Section 3.5 BANKRUPTCY. (a) Upon or at any time after the occurrence and during the continuation of an 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.

ARTICLE 4 - NO LIABILITY, FURTHER ASSURANCES

Section 4.1 NO LIABILITY OF LENDER. This Assignment shall not be construed to bind Lender to the performance of any of the covenants, conditions or provisions contained in any Lease or Lease Guaranty or otherwise impose any obligation upon Lender. Lender shall not be liable for any loss sustained by

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Borrower resulting from Lender's failure to let the Property after an Event of Default or from any other act or omission of Lender in managing the Property after an Event of Default unless such loss is caused by the gross negligence, willful misconduct or bad faith of Lender. Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Leases or any Lease Guaranties or under or by reason of this Assignment and Borrower shall indemnify Lender for, and hold Lender harmless from, any and all liability, loss or damage which may or might be incurred under the Leases, any Lease Guaranties or under or by reason of this Assignment and from any and all claims and demands whatsoever, including the defense of any such claims or demands which may be asserted against Lender by reason of any alleged obligations and undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases or any Lease Guaranties; provided, however, that Borrower shall not indemnify or hold Lender harmless with respect to liability

or loss or damage resulting from Lender's gross negligence, willful misconduct or bad faith. Should Lender incur any such liability, the amount thereof, including actual costs, expenses and reasonable attorneys' fees, shall be secured by this Assignment and by the Mortgage and the other Loan Documents and Borrower shall reimburse Lender therefor promptly upon demand and upon the failure of Borrower so to do Lender may, at its option, declare all sums secured by this Assignment and by the Mortgage and the other Loan Documents immediately due and payable. This Assignment shall not operate to place any obligation or liability for the control, care, management or repair of the Property upon Lender, nor for the carrying out of any of the terms and conditions of the Leases or any Lease Guaranties; nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other parties, or for any dangerous or defective condition of the Property including, without limitation, the presence of any Hazardous Substances (as defined in the Mortgage), or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger.

Section 4.2 NO MORTGAGEE IN POSSESSION. 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 unless caused by Lender's gross negligence, bad faith or willful misconduct.

Section 4.3 FURTHER ASSURANCES. Borrower will, at the cost of Borrower, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts, conveyances, assignments, notices of assignments, transfers and assurances as Lender shall, from time to time, reasonably require for the better assuring, conveying, assigning, transferring and confirming unto Lender the property and rights hereby assigned or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Assignment or for filing, registering or recording this Assignment and, promptly following demand, will execute and deliver and, if Borrower shall fail to do so, hereby authorizes Lender to execute in the name of Borrower to the extent Lender may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien and security interest hereof in and upon the Leases.

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ARTICLE 5 - MISCELLANEOUS PROVISIONS

Section 5.1 CONFLICT OF TERMS. In case of any conflict between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail. In case of any conflict between the terms of this Assignment and the terms of the Mortgage, the terms of this Assignment shall prevail.

Section 5.2 NO ORAL CHANGE. This Assignment and any provisions hereof may not be modified, amended, waived, extended, changed, discharged or terminated orally, or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom the enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 5.3 GENERAL DEFINITIONS. All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Assignment may be used interchangeably in singular or plural form and the word "Borrower" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or interest therein," the word "Lender" shall mean "Lender and any subsequent holder of the Note, the word "Note" shall mean "the Note and any other evidence of indebtedness secured by the Loan Agreement," the word "Property" shall include any portion of the Property and any interest therein, the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all attorney's, paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder; whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 5.4 INAPPLICABLE PROVISIONS. If any term, covenant or condition of this Assignment is held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

Section 5.5 GOVERNING LAW. (A) THIS ASSIGNMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY BORROWER AND ACCEPTED BY LENDER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE WERE DISBURSED FROM THE STATE OF NEW

YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS ASSIGNMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS

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CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS ASSIGNMENT AND THE NOTE, AND THIS ASSIGNMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(B) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS ASSIGNMENT MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER DOES HEREBY DESIGNATE AND APPOINT

STUART H. WIDOWSKI
44 SOUTH BAYLES AVENUE
PORT WASHINGTON, NEW YORK 11050

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. BORROWER (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN

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OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 5.6 TERMINATION OF ASSIGNMENT. Upon payment in full of the Debt, this Assignment shall become and be void and of no effect.

Section 5.7 NOTICES. All notices or other written communications hereunder shall be delivered in accordance with Section 11.6 of the Loan Agreement.

Section 5.8 WAIVER OF TRIAL BY JURY. BORROWER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE APPLICATION FOR THE LOAN EVIDENCED BY THE NOTE, THIS ASSIGNMENT, THE NOTE, OR THE OTHER LOAN DOCUMENTS OR ANY ACTS OR OMISSIONS OF LENDER, ITS OFFICERS, EMPLOYEES, DIRECTORS OR AGENTS IN CONNECTION THEREWITH.

Section 5.9 EXCULPATION. The provisions of Section 11.22 of the Loan Agreement are hereby incorporated by reference into this Assignment to the same extent and with the same force as if fully set forth herein.

Section 5.10 SUCCESSORS AND ASSIGNS. This Assignment shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.

Section 5.11 HEADINGS, ETC. The headings and captions of various paragraphs of this Assignment 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.

[NO FURTHER TEXT ON THIS PAGE]

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IN WITNESS WHEREOF, Borrower has executed this Assignment the day and year first above written.

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: Cedar-Franklin Village 2 LLC, a Delaware
limited liability company, its sole member

By: Cedar Shopping Centers Partnership,
L.P., a Delaware limited partnership,
its sole member

By: Cedar Shopping Centers, Inc., a
Maryland corporation, its
general partner

By: _____
Name: Brenda J. Walker
Title: Vice President

ACKNOWLEDGMENT

[INSERT STATE SPECIFIC ACKNOWLEDGMENT]

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT B

DESCRIPTION OF LEASES AND RENTS

As used in Subsection 1.1(a), the term "leases" shall mean all leases, subleases, licenses, franchises, concessions or grants of other possessory interests, tenancies, and any other agreements affecting the use, possession or occupancy of the Property or any part thereof (including, without limitation, guest rooms, restaurants, bars, conference and meeting rooms, and banquet halls and other public facilities), whether now or hereafter existing or entered into (including, without limitation, any use or occupancy arrangements created pursuant to Section 365(d) of the Bankruptcy Code or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or occupant of any portion of the Property) and all amendments, modifications, supplements, extensions or renewals thereof, whether now or hereafter existing and all amendments, modifications, supplements, extensions or renewals thereof. As used in Subsection 1.1(a) the term "lease provisions" shall mean the right to enforce, whether at law or in equity or by any other means, all terms, covenants and provisions of the Leases.

As used in Subsection 1.1(c), the term "rents" shall mean all rents, issues, profits, royalties (including all oil and gas or other hydrocarbon substances), earnings, receipts, revenues, accounts, account receivable, security deposits and other deposits (subject to the prior right of the tenants making such deposits) and income, including, without limitation, fixed, additional and percentage rents, and all operating expense reimbursements, reimbursements for increases in taxes, sums paid by tenants to Borrower to reimburse Borrower for amounts originally paid or to be paid by Borrower or Borrower's agents or affiliates for which such tenants were liable, as, or example, tenant improvements costs in excess of any work letter, lease takeover costs, moving expenses and tax and operating expense pass-throughs for which a tenant is solely liable, parking, maintenance, common area, tax, insurance, utility and service charges and contributions, proceeds of sale of electricity, gas, heating, air-conditioning and other utilities and services, deficiency rents and liquidated damages, and other benefits now or hereafter derived from any portion of the Property or otherwise due and payable or to become due and payable as a result of any ownership, use, possession, occupancy or operation thereof and/or services rendered, goods provided and business conducted in connection therewith (including any payments received pursuant to Section 502(b) of the Bankruptcy Code or otherwise in arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or other occupants of any portion of the Property and all claims as a creditor in connection with any of the foregoing) and all cash or security deposits, advance rentals, and all deposits or payments

of a similar nature relating thereto, now or hereafter, including during any period of redemption, derived from the Property or any portion thereof and all proceeds from the cancellation, surrender, sale or other disposition of the Leases.

ENVIRONMENTAL INDEMNITY AGREEMENT

ENVIRONMENTAL INDEMNITY AGREEMENT (this "AGREEMENT") made as of the 1st day of November, 2004 by CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company, having an office at c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050 ("BORROWER"), and CEDAR SHOPPING CENTERS PARTNERSHIP, L.P., a Delaware limited partnership, having an office at 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050 ("PRINCIPAL", and together with Borrower, "INDEMNITOR"), in favor of EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation, having an office at 1114 Avenue of the Americas, Twenty-Ninth Floor, New York, New York 10036 ("INDEMNITEE") and other Indemnified Parties (defined below).

RECITALS:

A. Indemnitee is prepared to make a loan (the "LOAN") to Borrower in the principal amount of \$43,500,000.00 pursuant to a Loan Agreement of even date herewith between Borrower and Indemnitee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "LOAN AGREEMENT"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

B. Indemnitee is unwilling to make the Loan unless Indemnitor agrees to provide the indemnification, representations, warranties, covenants and other matters described in this Agreement for the benefit of the Indemnified Parties.

C. Indemnitor is entering into this Agreement to induce Indemnitee to make the Loan.

AGREEMENT

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Indemnitor hereby represents, warrants, covenants and agrees for the benefit of the Indemnified Parties as follows:

1. ENVIRONMENTAL REPRESENTATIONS AND WARRANTIES. (A) Except as otherwise specifically described in that certain Phase I environmental report (or Phase II environmental report, if required) in respect of the Property delivered to Indemnitee (referred to below as the "ENVIRONMENTAL REPORT"), a copy of which has been provided to Indemnitee, and (b) except as otherwise disclosed to Lender in connection with the Exxon Remediation, to Indemnitor's knowledge (a) there are no Hazardous Substances (defined below) or underground storage tanks in, on, or under the Property, except those that are both (i) in compliance with all Environmental Laws (defined below) and with permits issued pursuant thereto and (ii) fully and specifically described to Indemnitee in writing pursuant to the Environmental Report; (b) there are no past, present or threatened Releases (defined below) of Hazardous Substances in, on, under or from the Property which have not been fully remediated in accordance with Environmental Law; (c) there is no threat of any Release of Hazardous Substances migrating to the Property; (d) there is no past or present non-compliance with Environmental Laws, or with permits issued pursuant thereto, in connection with the Property which has not been fully remediated in accordance with Environmental Law; (e) Indemnitor does not know of, and has not received, any written or oral notice or other communication from any Person (including but not limited to a governmental entity) relating to Hazardous Substances or Remediation (defined below) thereof, of possible liability of any Person pursuant to any Environmental Law, other environmental conditions in connection with the Property, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing; and (f) Indemnitor has truthfully and fully provided to Indemnitee, in writing, any and all information relating to conditions in, on, under or from the Property that is known to Indemnitor and that is contained in files and records of Indemnitor, including but not limited to any reports relating to Hazardous Substances in, on, under or from the Property and/or to the environmental condition of the Property.

2. ENVIRONMENTAL COVENANTS. Indemnitor covenants and agrees that: (a) all uses and operations on or of the Property, whether by Indemnitor or any other Person, shall be in compliance with all Environmental Laws and permits issued pursuant thereto; (b) there shall be no Releases of Hazardous Substances in, on, under or from the Property; (c) there shall be no Hazardous Substances in, on, or under the Property, except those that are both (i) in compliance with all Environmental Laws and with permits issued pursuant thereto and (ii) fully disclosed to Indemnitee in writing; (d) Indemnitor shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, whether due to any act or omission of Indemnitor or any other Person (the "ENVIRONMENTAL LIENS"); (e) Indemnitor shall, at its sole cost and expense, fully and expeditiously cooperate in all activities pursuant to Paragraph 3 of this Agreement, including but not limited to providing all relevant information and making knowledgeable Persons available for interviews; (f) Indemnitor shall, at its sole cost and expense (but not more than one time during the term of the Loan unless an Event of Default shall have occurred and

is then continuing or if Lender reasonably suspects that a new Release of a Hazardous Substance or a condition other than that currently being remediated by Exxon/Mobil has occurred), perform any environmental site assessment or other investigation of environmental conditions in connection with the Property, by an environmental consultant approved by Lender pursuant to any written request of Indemnitee (including but not limited to sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), and share with Indemnitee the reports and other results thereof, and Indemnitee and the other Indemnified Parties shall be entitled to rely on such reports and other results thereof; (g) Indemnitor shall, at its sole cost and expense, (i) effectuate Remediation of any condition (including but not limited to a Release of a Hazardous Substance) in, on, under or from the Property in full compliance of Environmental Laws or reasonably required by Indemnitee based upon recommendations and observations of an independent environmental consultant approved by Lender; (ii) comply with any Environmental Law; (iii) comply with any directive from any governmental authority; and (iv) take any other action necessary or appropriate for protection of human health or the environment regarding Environmental Law; (h) Indemnitor shall not do or allow any tenant or other user of the Property to do any act with respect to Hazardous Substances that materially increases the dangers to human health or the environment, poses an unreasonable risk of harm to any Person (whether on or

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off the Property), impairs or may impair the value of the Property, is contrary to any requirement of any insurer, constitutes a public or private nuisance, constitutes waste, or violates any covenant, condition, agreement or easement applicable to the Property; and (i) Indemnitor shall immediately notify Indemnitee in writing upon Indemnitor's receipt of written notice regarding (A) any presence or Releases or threatened Releases of Hazardous Substances in, on, under, from or migrating towards the Property; (B) any non-compliance with any Environmental Laws related in any way to the Property; (C) any actual or potential Environmental Lien; (D) any required Remediation of environmental conditions relating to the Property; and (E) any written notice or other communication of which any Indemnitor becomes aware from any source whatsoever (including but not limited to a governmental entity) relating in any way to Hazardous Substances or Remediation thereof, possible liability of any Person pursuant to any Environmental Law, other environmental conditions in connection with the Property, or any actual or potential administrative or judicial proceedings in connection with anything referred to in this Agreement.

3. INDEMNIFIED RIGHTS/COOPERATION AND ACCESS. In the event the Indemnified Parties have reason to believe, in the exercise of reasonable discretion and good faith, that an environmental hazard exists on the Property that does not, in the sole discretion of the Indemnified Parties, endanger any tenants or other occupants of the Property or their guests or the general public or materially and adversely affects the value of the Property, upon reasonable notice from the Indemnitee, Indemnitor shall, at Indemnitor's expense, promptly cause an engineer or consultant reasonably satisfactory to the Indemnified Parties to conduct any environmental assessment or audit (the scope of which shall be reasonably satisfactory to Lender) (the scope of which shall be determined in the sole and absolute discretion of the Indemnified Parties) and take any samples of soil, groundwater or other water, air, or building materials or any other invasive testing requested by Indemnitee and promptly deliver the results of any such assessment, audit, sampling or other testing; provided, however, if such results are not delivered to the Indemnified Parties within a reasonable period or if the Indemnified Parties have reason to believe that an environmental hazard exists on the Property that, in the sole judgment of the Indemnified Parties, endangers any tenant or other occupant of the Property or their guests or the general public or may materially and adversely affect the value of the Property, upon reasonable notice to Indemnitor, the Indemnified Parties and any other Person designated by the Indemnified Parties, including but not limited to any receiver, any representative of a governmental entity, and any environmental consultant, shall have the right, but not the obligation, to enter upon the Property at all reasonable times to assess any and all aspects of the environmental condition of the Property and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in the sole and absolute discretion of the Indemnified Parties) and taking samples of soil, groundwater or other water, air, or building materials, and reasonably conducting other invasive testing. Indemnitor shall cooperate with and provide the Indemnified Parties and any such Person designated by the Indemnified Parties with access to the Property.

4. INDEMNIFICATION. Indemnitor covenants and agrees, at its sole cost and expense, to protect, defend, indemnify, release and hold Indemnified Parties harmless from and against any and all Losses (defined below) imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following except to the extent the same relate to Hazardous Substances first

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introduced to the Property by anyone other than Indemnitor or its respective agents or employees following the foreclosure or delivery of a deed in lieu of foreclosure: (a) any presence of any Hazardous Substances in, on, above, or

under the Property in violation of Environmental Law; (b) any past, present or threatened Release of Hazardous Substances in, on, above, under or from the Property in violation of Environmental Law; (c) any activity by Indemnitor, any Person affiliated with Indemnitor, and any tenant or other user of the Property in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous Substances at any time located in, under, on or above the Property in violation of Environmental Law; (d) any activity by Indemnitor, any Person affiliated with Indemnitor, and any tenant or other user of the Property in connection with any actual Remediation of any Hazardous Substances at any time located in, under, on or above the Property, whether or not such Remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (e) any past, present or threatened non-compliance or violations of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including but not limited to any failure by Indemnitor, any Person affiliated with Indemnitor, and any tenant or other user of the Property to comply with any order of any governmental authority in connection with any Environmental Laws; (f) the imposition, recording or filing or the threatened imposition, recording or filing of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any matter addressed in this Agreement; (h) any past, present or threatened injury to, destruction of or loss of natural resources in any way connected with the Property, including but not limited to costs to investigate and assess such injury, destruction or loss; (i) any acts of Indemnitor, any Person affiliated with Indemnitor, and any tenant or other user of the Property in arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of Hazardous Substances at any facility or incineration vessel containing such or similar Hazardous Substances; (j) any acts of Indemnitor, any Person affiliated with any Indemnitor, and any tenant or other user of the Property in accepting any Hazardous Substances for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Substance which causes the incurrence of costs for Remediation; (k) any personal injury, wrongful death, or property or other damage arising under any statutory or common law or tort law theory, including but not limited to damages assessed for private or public nuisance or for the conducting of an abnormally dangerous activity on or near the Property; and (l) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to this Agreement, the Loan Agreement or the Mortgage. The foregoing indemnifications shall not apply to liability, loss or other claims caused by the gross negligence, willful misconduct or bad faith by any Indemnified Parties.

5. DUTY TO DEFEND AND ATTORNEYS AND OTHER FEES AND EXPENSES. Upon written request by any Indemnified Party, Indemnitor shall defend same (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals approved by the Indemnified Parties. Notwithstanding the foregoing, any Indemnified Parties may, in the event an actual conflict exists which would prejudice any Indemnified Parties, engage their own attorneys and other professionals to defend or assist them, and, at

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the option of Indemnified Parties, their attorneys shall control the resolution of any claim or proceeding, providing that no compromise or settlement shall be entered without Indemnitor's consent, which consent shall not be unreasonably withheld. Upon demand, Indemnitor shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

6. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings: The term "ENVIRONMENTAL LAW" means any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health or the environment, relating to Hazardous Substances, relating to liability for or costs of other actual or threatened danger to human health or the environment. The term "ENVIRONMENTAL LAW" includes, but is not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; and the River and Harbors Appropriation Act. The term "ENVIRONMENTAL LAW" also includes,

but is not limited to, any present and future federal, state and local laws, statutes ordinances, rules, regulations and the like, as well as common law: conditioning transfer of property upon a negative declaration or other approval of a governmental authority of the environmental condition of the Property; requiring notification or disclosure of Releases of Hazardous Substances or other environmental condition of the Property to any Governmental Authority or other Person, whether or not in connection with transfer of title to or interest in property; imposing conditions or requirements in connection with permits or other authorization for lawful activity; relating to nuisance, trespass or other causes of action related to the Property; and relating to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the Property.

The term "HAZARDOUS SUBSTANCES" includes but is not limited to any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws or that may have a negative impact on human health or the environment, including but not limited to petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables and explosives, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in similar properties for the purposes of cleaning or other maintenance or operations and otherwise in compliance with all Environmental Laws.

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The term "INDEMNIFIED PARTIES" includes Indemnitee, any Person who is or will have been involved in the origination of the Loan, any Person who is or will have been involved with the servicing of the Loan, any Person in whose name the encumbrance created by the Mortgage is or will have been recorded, Persons who may hold or acquire or will have held a full or partial interest in the Loan (including, but not limited to, Investors (defined below) or prospective Investors in the Securities (defined below), as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including but not limited to any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan or the Property, whether during the term of the Loan or as a part of or following a foreclosure of the Loan and including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of Indemnitee's assets and business).

The term "LEGAL ACTION" means any claim, suit or proceeding, whether administrative or judicial in nature.

The term "LOSSES" includes any losses, actual damages, costs, fees, expenses, claims, suits, judgments, awards, liabilities (including but not limited to strict liabilities), obligations, debts, diminutions in value, fines, penalties, charges, costs of Remediation (whether or not performed voluntarily), amounts paid in settlement, foreseeable and unforeseeable consequential damages, litigation costs, reasonable attorneys' fees, engineers' fees, reasonable environmental consultants' fees, and investigation costs (including but not limited to costs for sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), of whatever kind or nature, and whether or not incurred in connection with any judicial or administrative proceedings, actions, claims, suits, judgments or awards.

The term "RELEASE" with respect to any Hazardous Substance includes but is not limited to any release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances in amounts in violation of Environmental Law.

The term "REMEDIATION" includes but is not limited to any response, remedial, removal, or corrective action required by Environmental Law; any activity to clean up, detoxify, decontaminate, contain or otherwise remediate any Hazardous Substance required by Environmental Law; any actions to prevent, cure or mitigate any Release of any Hazardous Substance required by Environmental Law; any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Substances or to anything referred to herein.

7. UNIMPAIRED LIABILITY. The liability of Indemnitee under this Agreement shall in no way be limited or impaired by, and Indemnitee hereby consents to and agrees to be bound by, any amendment or modification of the provisions of the Note, the Loan Agreement, the Mortgage or any other Loan Document to or with Indemnitee by Indemnitee or any Person who succeeds

Indemnitor or any Person as owner of the Property. In addition, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by (i) any extensions of time for performance required by the Note, the Loan Agreement, the Mortgage or any of the other Loan Documents, (ii) any sale or transfer of all or part of the Property, (iii) except as provided herein, any exculpatory provision in the Note, the Loan Agreement, the Mortgage, or any of the other Loan Documents limiting Indemnitee's recourse to the Property or to any other security for the Note, or limiting Indemnitee's rights to a deficiency judgment against Indemnitor, (iv) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under the Note, the Loan Agreement, the Mortgage or any of the other Loan Documents or herein, (v) the release of Indemnitor or any other Person from performance or observance of any of the agreements, covenants, terms or condition contained in any of the other Loan Documents by operation of law, Indemnitee's voluntary act, or otherwise, (vi) the release or substitution in whole or in part of any security for the Note, or (vii) Indemnitee's failure to record the Mortgage or file any UCC financing statements (or Indemnitee's improper recording or filing of any thereof) or to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Note; and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

8. ENFORCEMENT. Indemnified Parties may enforce the obligations of Indemnitor without first resorting to or exhausting any security or collateral or without first having recourse to the Note, the Loan Agreement, the Mortgage, or any other Loan Documents or any of the Property, through foreclosure proceedings or otherwise, provided, however, that nothing herein shall inhibit or prevent Indemnitee from suing on the Note, foreclosing, or exercising any power of sale under, the Mortgage, or exercising any other rights and remedies thereunder. This Agreement is not collateral or security for the debt of Borrower pursuant to the Loan, unless Indemnitee expressly elects in writing to make this Agreement additional collateral or security for the debt of Borrower pursuant to the Loan, which Indemnitee is entitled to do in its sole and absolute discretion. It is not necessary for an Event of Default to have occurred pursuant to and as defined in the Mortgage or the Loan Agreement for Indemnified Parties to exercise their rights pursuant to this Agreement. Notwithstanding any provision of the Loan Agreement (including, without limitation, Section 11.22 thereof) the obligations pursuant to this Agreement are exceptions to any non-recourse or exculpation provision of the Loan Agreement; Indemnitor is fully and personally liable for such obligations, and such liability is not limited to the original or amortized principal balance of the Loan or the value of the Property.

9. SURVIVAL. The obligations and liabilities of Indemnitor under this Agreement shall fully survive indefinitely notwithstanding any termination, satisfaction, assignment, entry of a judgment of foreclosure, exercise of any power of sale, or delivery of a deed in lieu of foreclosure of the Mortgage.

10. INTEREST. Any amounts payable to any Indemnified Parties under this Agreement shall become immediately due and payable on demand and, if not paid within five (5) days of such demand therefor, shall bear interest at the Default Rate.

11. WAIVERS. (a) Indemnitor hereby waives (i) any right or claim of right to cause a marshaling of Indemnitor's assets or to cause Indemnitee or other Indemnified Parties to proceed against any of the security for the Loan before proceeding under this Agreement against Indemnitor; (ii) and relinquishes

all rights and remedies accorded by applicable law to indemnitors or guarantors, except any rights of subrogation which Indemnitor may have, provided that the indemnity provided for hereunder shall neither be contingent upon the existence of any such rights of subrogation nor subject to any claims or defenses whatsoever which may be asserted in connection with the enforcement or attempted enforcement of such subrogation rights including, without limitation, any claim that such subrogation rights were abrogated by any acts of Indemnitee or other Indemnified Parties; (iii) the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against or by Indemnitee or other Indemnified Parties; (iv) notice of acceptance hereof and of any action taken or omitted in reliance hereon; (v) presentment for payment, demand of payment, protest or notice of nonpayment or failure to perform or observe, or other proof, or notice or demand unless specifically required by applicable law; and (vi) all homestead exemption rights against the obligations hereunder and the benefits of any statutes of limitations or repose. Notwithstanding anything to the contrary contained herein, Indemnitor hereby agrees to postpone the exercise of any rights of subrogation with respect to any collateral securing the Loan until the Loan shall have been paid in full.

(B) INDEMNITOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE APPLICATION FOR THE LOAN EVIDENCED BY THE NOTE, THE MORTGAGE, THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY ACTS OR OMISSIONS OF

ANY INDEMNIFIED PARTIES IN CONNECTION THEREWITH.

12. SUBROGATION. Indemnitor shall take any and all reasonable actions, including institution of legal action against third parties, necessary or appropriate to obtain reimbursement, payment or compensation from such Persons responsible for the presence of any Hazardous Substances at, in, on, under or near the Property or otherwise obligated by law to bear the cost. Indemnified Parties shall be and hereby are subrogated to all of Indemnitor's rights now or hereafter in such claims.

13. INDEMNITOR'S REPRESENTATIONS AND WARRANTIES. Indemnitor represents and warrants that:

(a) it has the full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; the execution, delivery and performance of this Agreement by Indemnitor has been duly and validly authorized; and all requisite action has been taken by Indemnitor to make this Agreement valid and binding upon Indemnitor, enforceable in accordance with its terms;

(b) its execution of, and compliance with, this Agreement is in the ordinary course of business of Indemnitor and will not result in the breach of any term or provision of the charter, by-laws, partnership or trust agreement, or other governing instrument of Indemnitor or result in the breach of any term or provision of, or

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conflict with or constitute a default under, or result in the acceleration of any obligation under, any agreement, indenture or loan or credit agreement or other instrument to which Indemnitor or the Property is subject, or result in the violation of any law, rule, regulation, order, judgment or decree to which Indemnitor or the Property is subject;

(c) to the best of Indemnitor's knowledge, there is no action, suit, proceeding or investigation pending or threatened against it which, either in any one instance or in the aggregate, may result in any material adverse change in the business, operations, financial condition, properties or assets of Indemnitor, or in any material impairment of the right or ability of Indemnitor to carry on its business substantially as now conducted, or in any material liability on the part of Indemnitor, or which would draw into question the validity of this Agreement or of any action taken or to be taken in connection with the obligations of Indemnitor contemplated herein, or which would be likely to impair materially the ability of Indemnitor to perform under the terms of this Agreement;

(d) it does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement;

(e) to the best of Indemnitor's knowledge, no approval, authorization, order, license or consent of, or registration or filing with, any governmental authority or other person, and no approval, authorization or consent of any other party is required in connection with this Agreement; and

(f) this Agreement constitutes a valid, legal and binding obligation of Indemnitor, enforceable against it in accordance with the terms hereof except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of obligations under this Agreement and creditors rights.

14. NO WAIVER. No delay by any Indemnified Party in exercising any right, power or privilege under this Agreement shall operate as a waiver of any such privilege, power or right.

15. NOTICE OF LEGAL ACTIONS. Each party hereto shall, within five (5) business days of receipt thereof, give written notice to the other party hereto of (i) any notice, advice or other communication from any governmental entity or any source whatsoever with respect to Release of Hazardous Substances on, from or affecting the Property, and (ii) any legal action brought against such party or related to the Property, with respect to which Indemnitor may have liability under this Agreement. Such notice shall comply with the provisions of Section 19 hereof.

16. EXAMINATION OF BOOKS AND RECORDS. Indemnified Parties and their accountants shall have the right to examine the records, books, management and other papers of Indemnitor which reflect upon its financial condition, at the Property or at the office regularly maintained by Indemnitor where the books and records are located. Indemnified Parties and their accountants shall have the right to make copies and extracts from the foregoing records and other papers.

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In addition, at reasonable times and upon reasonable notice, Indemnified Parties and their accountants shall have the right to examine and audit the books and records of Indemnitor pertaining to the income, expenses and operation of the Property during reasonable business hours at the office of Indemnitor where the books and records are located.

17. TRANSFER OF LOAN. (a) Indemnitee may, at any time, sell, transfer or assign the Note, the Loan Agreement, the Mortgage, this Agreement and the other Loan Documents, and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "SECURITIES"). Indemnitee may forward to each purchaser, transferee, assignee, servicer, participant or investor in such Securities or any credit rating agency rating such Securities (the foregoing entities hereinafter collectively referred to as the "INVESTOR") and each prospective Investor, all documents and information which Indemnitee now has or may hereafter acquire relating to Indemnitor and the Property, whether furnished by Indemnitor, any guarantor or otherwise, as Indemnitee determines necessary or desirable. Indemnitor and any guarantor agree to cooperate at no material cost or expense with Indemnitee in connection with any transfer made or any Securities created as described in this Section, including, without limitation, the delivery of an estoppel certificate required in accordance with the Loan Agreement and such other documents as may be reasonably requested by Indemnitee. Indemnitor shall also furnish, and Indemnitor and any guarantor hereby consent to Indemnitee furnishing to such Investors or such prospective Investors, any and all information concerning the financial condition of the Indemnitor and any guarantor and any and all information concerning the Property and the Leases as may be requested by Indemnitee, any Investor or any prospective Investor in connection with any sale, transfer or participation interest.

(b) Upon any transfer or proposed transfer contemplated above and by Section 9.1 of the Loan Agreement, at Indemnitee's request, Indemnitor shall provide an estoppel certificate to the Investor or any prospective Investor in such form, substance and detail as Indemnitee, such Investor or prospective Investor may require.

18. TAXES. Indemnitor has filed all federal, state, county, municipal, and city income and other tax returns required to have been filed by it and has paid all taxes and related liabilities which have become due pursuant to such returns or pursuant to any assessments received by it. Indemnitor has no knowledge of any basis for any additional assessment in respect of any such taxes and related liabilities for prior years.

19. NOTICES. All notices or other written communications hereunder shall be made in accordance with Section 11.6 of the Loan Agreement.

20. DUPLICATE ORIGINALS; COUNTERPARTS. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

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21. NO ORAL CHANGE. This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Indemnitor or any Indemnified Party, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

22. 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.

23. NUMBER AND GENDER/SUCCESSORS AND ASSIGNS. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or Persons referred to may require. Without limiting the effect of specific references in any provision of this Agreement, the term "INDEMNITOR" shall be deemed to refer to each and every Person comprising an Indemnitor from time to time, as the sense of a particular provision may require, and to include the heirs, executors, administrators, legal representatives, successors and assigns of Indemnitor, all of whom shall be bound by the provisions of this Agreement, provided that no obligation of Indemnitor may be assigned except with the written consent of Indemnitee. Each reference herein to Indemnitee shall be deemed to include its successors and assigns. This Agreement shall inure to the benefit of Indemnified Parties and their respective successors and assigns forever.

24. RELEASE OF LIABILITY. Any one or more parties liable upon or in respect of this Agreement may be released without affecting the liability of any

party not so released.

25. RELEASE OF INDEMNITOR. Upon the substitution of either Indemnitor pursuant to Section 8.3 of the Loan Agreement, such Indemnitor shall be released from any liability or other obligation under this Agreement first arising after the date of such substitution.

26. RIGHTS CUMULATIVE. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies which Indemnatee has under the Note, the Mortgage, the Loan Agreement or the other Loan Documents or would otherwise have at law or in equity.

27. INAPPLICABLE PROVISIONS. If any term, condition or covenant of this Agreement shall be held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

28. GOVERNING LAW. A. THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY INDEMNITOR AND ACCEPTED BY INDEMNITEE IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE SECURED HEREBY WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE

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LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, INDEMNITOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

B. ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST INDEMNITEE OR INDEMNITOR ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY AT INDEMNITEE'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND INDEMNITOR WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND INDEMNITOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. INDEMNITOR DOES HEREBY DESIGNATE AND APPOINT:

STUART H. WIDOWSKI
44 SOUTH BAYLES AVENUE
PORT WASHINGTON, NEW YORK 11050

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO INDEMNITOR IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON INDEMNITOR IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. INDEMNITOR (I) SHALL GIVE PROMPT NOTICE TO INDEMNITEE OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER,

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(II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

29. MISCELLANEOUS. (a) Wherever pursuant to this Agreement (i) Indemnatee exercises any right given to it approve or disapprove, (ii) any arrangement or term is to be satisfactory to Indemnatee, or (iii) any other decision or determination is to be made by Indemnatee, the decision of Indemnatee to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Indemnatee, shall be in the sole and absolute discretion of Indemnatee and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Agreement it is provided that Indemnitor pay any costs and expenses, such costs and expenses shall include, but not be limited to, legal fees and disbursements of Indemnitee, whether retained firms, the reimbursements for the expenses of the in-house staff or otherwise.

(c) Joint and Several Liability. If Indemnitor consists of more than one person or party, the obligations and liabilities of each such person or party hereunder shall be joint and several.

[NO FURTHER TEXT ON THIS PAGE]

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IN WITNESS WHEREOF, this Agreement has been executed by Indemnitor and is effective as of the day and year first above written.

INDEMNITOR:

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: Cedar-Franklin Village 2 LLC, a Delaware
limited liability company, its sole member

By: Cedar Shopping Centers Partnership,
L.P., a Delaware limited partnership,
its sole member

By: Cedar Shopping Centers, Inc., a
Maryland corporation, its
general partner

By: _____
Name: Brenda J. Walker
Title: Vice President

INDEMNITEE:

EUROHYPO AG, NEW YORK BRANCH, the New York branch of
a German banking corporation

By: _____
Name:
Title:

By: _____
Name:
Title:

GUARANTY

This GUARANTY (this "GUARANTY") is executed as of November 1, 2004 by CEDAR SHOPPING CENTER PARTNERSHIP, L.P. (whether one or more collectively referred to as "GUARANTOR"), for the benefit of EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation ("LENDER").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Promissory Note, dated of even date herewith, executed by CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company ("BORROWER"), and payable to the order of Lender in the original principal amount of FORTY-THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$43,500,000.00) (together with all renewals, modifications, increases and extensions thereof, the "NOTE"), Borrower has become indebted to Lender with respect to a loan (the "LOAN") which is made pursuant to that certain Loan Agreement, dated of even date herewith, between Borrower and Lender (the "LOAN AGREEMENT");

WHEREAS, Lender is not willing to make the Loan, or otherwise extend credit, to Borrower unless Guarantor unconditionally guarantees payment and performance to Lender of the Guaranteed Obligations (as herein defined); and

WHEREAS, Guarantor is the owner of a direct or indirect interest in Borrower, and Guarantor will directly benefit from Lender's making the Loan to Borrower.

NOW, THEREFORE, as an inducement to Lender to make the Loan to Borrower and to extend such additional credit as Lender may from time to time agree to extend under the Loan Documents, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I

NATURE AND SCOPE OF GUARANTY

1.1 GUARANTY OF OBLIGATION. Guarantor hereby irrevocably and unconditionally guarantees to Lender and its successors and assigns the payment and performance of the Guaranteed Obligations as and when the same shall be due and payable, whether by lapse of time, by acceleration of maturity or otherwise. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor. This Guaranty shall terminate and be of no further force and effect upon the performance or payment in full of the Guaranteed Obligations.

1.2 DEFINITION OF GUARANTEED OBLIGATIONS. As used herein, the term "GUARANTEED OBLIGATIONS" means the obligations or liabilities of Borrower to Lender for any loss, damage, cost, expense, liability, claim or other obligation

incurred by Lender (including attorneys' fees and costs reasonably incurred) arising out of or in connection with the following:

(a) fraud or intentional misrepresentation by Borrower or any guarantor in connection with the Loan;

(b) the willful misconduct of Borrower;

(c) the breach of any representation, warranty, covenant or indemnification provision in the Environmental Indemnity or in the Mortgage concerning environmental laws, hazardous substances and asbestos and any indemnification of Lender with respect thereto in either document;

(d) the removal or disposal of any portion of the Property after an Event of Default;

(e) the misapplication or conversion by Borrower of (i) any insurance proceeds paid by reason of any loss, damage or destruction to the Property, (ii) any Awards or other amounts received in connection with the Condemnation of all or a portion of the Property, or (iii) any Rents following an Event of Default or any Rents collected for more than one month in advance to the extent such Rents or any other payments in respect of the Leases and other income of the Property or any other collateral are not applied to the costs of maintenance and operation of the Property and to the payment of taxes, lien claims, insurance premiums, Debt Service and other amounts due under the Loan Documents;

(f) misappropriation or conversion of any security deposits, advance deposits or any other deposits collected with respect to the Property which are not delivered to Lender upon a foreclosure of the Property or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the Leases prior to the occurrence of the Event of Default that gave rise to such foreclosure or action in lieu thereof;

(g) Borrower's failure to maintain insurance as required by the Loan Agreement or to pay any taxes or assessments affecting the Property, as required by the Loan Agreement;

(h) misappropriation, removal or disposal (except in the ordinary course of Borrower's business) of any Personal Property (as defined in the Mortgage) affixed to the Property which constitutes a portion of the collateral for the Loan;

(i) failure to pay any charges when due for labor or materials that create Liens on the Property (to the extent net cash flow from the Property is available for payment of such charges) unless the same are being contested in accordance with Loan Agreement;

(j) failure to restore physical waste of the Property; or

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(k) failure to appoint a new property manager upon the request of Lender after an Event of Default, as required by, and in accordance with the terms and provisions of, the Loan Agreement and the Mortgage.

Notwithstanding anything to the contrary in any of the Loan Documents, (i) Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the Debt or to require that all collateral shall continue to secure all of the Debt owing to Lender in accordance with the Loan Documents and (ii) Guarantor shall be liable for the full amount of the Debt in the event that: (A) Borrower fails to obtain Lender's prior consent to any subordinate financing or other voluntary Lien encumbering the Property (other than Permitted Encumbrances); (B) Borrower fails to obtain Lender's prior consent to any Prohibited Transfer as required by the Mortgage or the Loan Agreement; (C) Borrower files a voluntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (D) an Affiliate which controls, directly or indirectly, Borrower files, or joins in the filing of, an involuntary petition against Borrower under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower from any Person; (E) Borrower files an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or solicits or causes to be solicited petitioning creditors for any involuntary petition from any Person; (F) any Affiliate which controls Borrower consents to or acquiesces in or joins in an application for the appointment of a custodian, receiver, trustee, or examiner for Borrower or any portion of the Property; (G) Borrower makes an assignment for the benefit of creditors, or admits, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due; or (H) Borrower defaults in the observance or performance of any of its obligations under Section 3.1.24 of the Loan Agreement.

1.3 NATURE OF GUARANTY. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor and after (if Guarantor is a natural person) Guarantor's death (in which event this Guaranty shall be binding upon Guarantor's estate and Guarantor's legal representatives and heirs). The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of Guarantor to Lender with respect to the Guaranteed Obligations. This Guaranty may be enforced by Lender and any subsequent holder of the Note and shall not be discharged by the assignment or negotiation of all or part of the Note.

1.4 GUARANTEED OBLIGATIONS NOT REDUCED BY OFFSET. The Guaranteed Obligations and the liabilities and obligations of Guarantor to Lender hereunder shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower or any other party against Lender or against payment of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

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1.5 PAYMENT BY GUARANTOR. If all or any part of the Guaranteed Obligations shall not be punctually paid when due, whether at demand, maturity, acceleration or otherwise, Guarantor shall, immediately upon demand by Lender and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate the maturity, notice of acceleration of the maturity or any other notice whatsoever unless required by applicable law, pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to Lender at Lender's address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

1.6 NO DUTY TO PURSUE OTHERS. It shall not be necessary for Lender (and Guarantor hereby waives any rights which Guarantor may have to require Lender), in order to enforce the obligations of Guarantor hereunder, first to (i) institute suit or exhaust its remedies against Borrower or others liable on the Loan or the Guaranteed Obligations or any other person, (ii) enforce Lender's rights against any collateral which shall ever have been given to secure the Loan, (iii) enforce Lender's rights against any other guarantors of the Guaranteed Obligations, (iv) join Borrower or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty, (v) exhaust any remedies available to Lender against any collateral which shall ever have been given to secure the Loan, or (vi) resort to any other means of obtaining payment of the Guaranteed Obligations. Lender shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

1.7 WAIVERS. Guarantor agrees to the provisions of the Loan Documents and hereby waives notice, of and any rights of consent to (i) any loans or advances made by Lender to Borrower, (ii) acceptance of this Guaranty, (iii) any amendment or extension of the Note, the Mortgage, the Loan Agreement or of any other Loan Documents, (iv) the execution and delivery by Borrower and Lender of any other loan or credit agreement or of Borrower's execution and delivery of any promissory notes or other documents arising under the Loan Documents or in connection with the Property, (v) the occurrence of any breach by Borrower or an Event of Default, (vi) Lender's transfer or disposition of the Guaranteed Obligations, or any part thereof, (vii) sale or foreclosure (or posting or advertising for sale or foreclosure) of any collateral for the Guaranteed Obligations, (viii) protest, proof of non-payment or default by Borrower, or (ix) any other action at any time taken or omitted by Lender and, generally, all demands and notices of every kind in connection with this Guaranty, the Loan Documents, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations and the obligations hereby guaranteed.

1.8 PAYMENT OF EXPENSES. In the event that Guarantor should breach or fail to timely perform any provisions of this Guaranty, Guarantor shall, immediately upon demand by Lender, pay Lender all costs and expenses (including court costs and attorneys' fees) incurred by Lender in the enforcement hereof or the preservation of Lender's rights hereunder. The covenant contained in this Section shall survive the payment and performance of the Guaranteed Obligations.

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1.9 EFFECT OF BANKRUPTCY. In the event that pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law or any judgment, order or decision thereunder, Lender must rescind or restore any payment or any part thereof received by Lender in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by Lender shall be without effect and this Guaranty shall remain in full force and effect. It is the intention of Borrower and Guarantor that Guarantor's obligations hereunder shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance.

1.10 WAIVER OF SUBROGATION, REIMBURSEMENT AND CONTRIBUTION. Notwithstanding anything to the contrary contained in this Guaranty, Guarantor hereby unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating the Guarantor to the rights of Lender), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Borrower or any other party liable for payment of any or all of the Guaranteed Obligations for any payment made by Guarantor under or in connection with this Guaranty or otherwise.

1.11 BORROWER. The term "BORROWER" as used herein shall include any new or successor corporation, association, partnership (general or limited), limited liability company joint venture, trust or other individual or organization including any of same formed as a result of any merger, reorganization, sale, transfer, devise, gift or bequest of Borrower or any interest in Borrower.

1.12 RELEASE OF GUARANTOR. Upon the substitution of Guarantor pursuant

to Section 8.3 of the Loan Agreement, Guarantor shall be released from any liability or other obligation under this Guaranty first arising after the date of such substitution.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTOR'S OBLIGATIONS -----

Guarantor hereby consents and agrees to each of the following and agrees that Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following and waives any common law, equitable, statutory or other rights (including without limitation rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:

2.1 MODIFICATIONS. Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, the Note, the Mortgage, the Loan Agreement, the other Loan Documents or any other document, instrument, contract or understanding between Borrower and Lender or any other parties pertaining to the Guaranteed Obligations or any failure of Lender to notify Guarantor of any such action.

2.2 ADJUSTMENT. Any adjustment, indulgence, forbearance or compromise that might be granted or given by Lender to Borrower or any Guarantor.

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2.3 CONDITION OF BORROWER OR GUARANTOR. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, Guarantor or any other party at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Borrower or Guarantor or any sale, lease or transfer of any or all of the assets of Borrower or Guarantor or any changes in the shareholders, partners or members of Borrower or Guarantor; or any reorganization of Borrower or Guarantor.

2.4 INVALIDITY OF GUARANTEED OBLIGATIONS. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations or any document or agreement executed in connection with the Guaranteed Obligations for any reason whatsoever, including without limitation the fact that (i) the Guaranteed Obligations or any part thereof exceeds the amount permitted by law, (ii) the act of creating the Guaranteed Obligations or any part thereof is ultra vires, (iii) the officers or representatives executing the Note, the Mortgage, the Loan Agreement or the other Loan Documents or otherwise creating the Guaranteed Obligations acted in excess of their authority, (iv) the Guaranteed Obligations violate applicable usury laws, (v) the Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially uncollectible from Borrower, (vi) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, or (vii) the Note, the Mortgage, the Loan Agreement or any of the other Loan Documents have been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other person be found not liable on the Guaranteed Obligations or any part thereof for any reason.

2.5 RELEASE OF OBLIGORS. Any full or partial release of the liability of Borrower on the Guaranteed Obligations or any part thereof, or of any co-guarantors, or any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, it being recognized, acknowledged and agreed by Guarantor that Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support of any other party, and Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other parties will be liable to pay or perform the Guaranteed Obligations, or that Lender will look to other parties to pay or perform the Guaranteed Obligations.

2.6 OTHER COLLATERAL. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations.

2.7 RELEASE OF COLLATERAL. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations.

2.8 CARE AND DILIGENCE. The failure of Lender or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of any collateral, property or security, including but not limited to any neglect, delay, omission, failure or refusal of Lender (i) to take or prosecute any action for the collection of any of the Guaranteed Obligations or (ii) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (iii) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations.

2.9 UNENFORCEABILITY. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by Guarantor that Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the collateral for the Guaranteed Obligations.

2.10 OFFSET. The Note, the Guaranteed Obligations and the liabilities and obligations of the Guarantor to Lender hereunder shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, claim or defense of Borrower or Guarantor against Lender, or any other party, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

2.11 MERGER. The reorganization, merger or consolidation of Borrower into or with any other Person.

2.12 PREFERENCE. Any payment by Borrower to Lender is held to constitute a preference under bankruptcy laws or for any reason Lender is required to refund such payment or pay such amount to Borrower or someone else.

2.13 OTHER ACTIONS TAKEN OR OMITTED. Any other action taken or omitted to be taken with respect to the Loan Documents, the Guaranteed Obligations, or the security and collateral therefor, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it is the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or un contemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into the Loan Documents and extend credit to Borrower, Guarantor represents and warrants to Lender as follows:

3.1 BENEFIT. Guarantor is an Affiliate of Borrower, is the owner of a direct or indirect interest in Borrower, and has received, or will receive, direct or indirect benefit from the making of this Guaranty with respect to the Guaranteed Obligations.

3.2 FAMILIARITY AND RELIANCE. Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of the Borrower and is familiar with the value of any and all collateral intended to be created as security for the payment of the Note or Guaranteed Obligations; however, Guarantor is not relying on such financial condition or the collateral as an inducement to enter into this Guaranty.

3.3 NO REPRESENTATION BY LENDER. Neither Lender nor any other party has made any representation, warranty or statement to Guarantor in order to induce the Guarantor to execute this Guaranty.

3.4 GUARANTOR'S FINANCIAL CONDITION. As of the date hereof, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, Guarantor is and will be solvent and has and will have assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities) and debts, and has and will have property and assets sufficient to satisfy and repay its obligations and liabilities.

3.5 LEGALITY. The execution, delivery and performance by Guarantor of this Guaranty and the consummation of the transactions contemplated hereunder do not and will not contravene or conflict with any law, statute or regulation whatsoever to which Guarantor is subject or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or result in the breach of, any indenture, mortgage, charge, lien, or any contract, agreement or other instrument to which Guarantor is a party or which may be applicable to Guarantor. This Guaranty is a legal and binding obligation of Guarantor and is enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

3.6 LIENS. Guarantor has not created nor is the beneficiary of any Liens encumbering the Property or any interest therein.

3.7 SURVIVAL. All representations and warranties made by Guarantor herein shall survive the execution hereof.

ARTICLE IV

SUBORDINATION OF CERTAIN INDEBTEDNESS

4.1 SUBORDINATION OF ALL GUARANTOR CLAIMS. As used herein, the term "GUARANTOR CLAIMS" shall mean all debts and liabilities of Borrower to Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, or whether the obligations of Borrower thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the person or persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter

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be acquired by Guarantor. The Guarantor Claims shall include without limitation all rights and claims of Guarantor against Borrower (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guaranteed Obligations. After the occurrence and during the continuance of an Event of Default, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any amount upon the Guarantor Claims.

4.2 CLAIMS IN BANKRUPTCY. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving Guarantor as debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Guarantor hereby assigns such dividends and payments to Lender. Should Lender receive, for application against the Guaranteed Obligations, any dividend or payment which is otherwise payable to Guarantor and which, as between Borrower and Guarantor, shall constitute a credit against the Guarantor Claims, then, upon payment to Lender in full of the Guaranteed Obligations, Guarantor shall become subrogated to the rights of Lender to the extent that such payments to Lender on the Guarantor Claims have contributed toward the liquidation of the Guaranteed Obligations, and such subrogation shall be with respect to that proportion of the Guaranteed Obligations which would have been unpaid if Lender had not received dividends or payments upon the Guarantor Claims.

4.3 PAYMENTS HELD IN TRUST. In the event that, notwithstanding anything to the contrary in this Guaranty, Guarantor should receive any funds, payment, claim or distribution which is prohibited by this Guaranty, Guarantor agrees to hold in trust for Lender an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions so received except to pay them promptly to Lender, and Guarantor covenants promptly to pay the same to Lender.

4.4 LIENS SUBORDINATE. Guarantor agrees that any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guaranteed Obligations, regardless of whether such encumbrances in favor of Guarantor or Lender presently exist or are hereafter created or attach. Without the prior written consent of Lender, Guarantor shall not (i) create any Liens encumbering the Property or any interest therein, (ii) exercise or enforce any creditor's right it may have against Borrower, or (iii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including without limitation the commencement of, or joinder in, any

liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgage, deeds of trust, security interests, collateral rights, judgments or other encumbrances on assets of Borrower held by Guarantor.

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ARTICLE V

MISCELLANEOUS

5.1 WAIVER. No failure to exercise, and no delay in exercising, on the part of Lender, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Lender hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty, nor consent to departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

5.2 NOTICES. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "NOTICE") required, permitted, or desired to be given hereunder shall be in writing sent by telefax (with answer back acknowledged) or by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 5.2. Any Notice shall be deemed to have been received: (a) three (3) days after the date such Notice is mailed, (b) on the date of sending by facsimile transmission if sent during business hours on a Business Day (as defined in the Loan Agreement, otherwise on the next Business Day), (c) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day), and (d) on the next Business Day if sent by an overnight commercial courier, in each case addressed to the parties as follows:

If to Lender: Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Head of Portfolio Operations
Facsimile No.: (212) 479-5800

with a copy to: Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Legal Director
Facsimile No.: (212) 479-5800

with a copy to: Cadwalader, Wickersham & Taft LLP
100 Maiden Lane
New York, New York 100038
Attention: Michael G. Kavourias, Esq.
Facsimile No.: (212) 504-6666

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If to Guarantor: Cedar Shopping Center Partnership, L.P.
44 South Bayles Avenue
Suite 304
Port Washington, NY 11050

with a copy to: Stroock & Stroock, & Lavan LLP
180 Maiden Lane
New York, New York 10038
Attention: Steven Moscovitz
Facsimile No.: (212) 806 - 6006

5.3 GOVERNING LAW; SUBMISSION TO JURISDICTION. This Guaranty shall be governed by and construed in accordance with the laws of the State of New York and the applicable laws of the United States of America. Any legal suit, action or proceeding against Lender or Guarantor arising out of or relating to this Guaranty may at Lender's option be instituted in any Federal or State court in the City of New York, County of New York, pursuant to Section 5-1402 of the New York General Obligations Law and Guarantor waives any objections which it may now or hereafter have based on venue and/or forum non conveniens of any such suit, action or proceeding, and Guarantor hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding. Guarantor does

hereby designate and appoint:

STUART H. WIDOWSKI
44 SOUTH BAYLES AVENUE
PORT WASHINGTON, NEW YORK 11050

as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any Federal or State court in New York, New York, and agrees that service of process upon said agent at said address and written notice of said service mailed or delivered to Guarantor in the manner provided herein shall be deemed in every respect effective service of process upon Guarantor in any such suit, action or proceeding in the State of New York.

5.4 INVALID PROVISIONS. If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

5.5 AMENDMENTS. This Guaranty may be amended only by an instrument in writing executed by the party or an authorized representative of the party against whom such amendment is sought to be enforced.

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5.6 PARTIES BOUND; ASSIGNMENT; JOINT AND SEVERAL. This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives; provided, however, that Guarantor may not, without the prior written consent of Lender, assign any of its rights, powers, duties or obligations hereunder. If Guarantor consists of more than one person or party, the obligations and liabilities of each such person or party shall be joint and several.

5.7 HEADINGS. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

5.8 RECITALS. The recital and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered prima facie evidence of the facts and documents referred to therein.

5.9 COUNTERPARTS. To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

5.10 RIGHTS AND REMEDIES. If Guarantor becomes liable for any indebtedness owing by Borrower to Lender, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may ever have against Guarantor. The exercise by Lender of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

5.11 OTHER DEFINED TERMS. Any capitalized term utilized herein shall have the meaning as specified in the Loan Agreement, unless such term is otherwise specifically defined herein.

5.12 ENTIRETY. THIS GUARANTY EMBODIES THE FINAL, ENTIRE AGREEMENT OF GUARANTOR AND LENDER WITH RESPECT TO GUARANTOR'S GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY GUARANTOR AND LENDER AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND LENDER, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES, AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE

USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY AGREEMENT. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTOR AND LENDER.

5.13 WAIVER OF RIGHT TO TRIAL BY JURY. GUARANTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY, THE NOTE, THE MORTGAGE, THE LOAN AGREEMENT, OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY GUARANTOR.

5.14 COOPERATION. Guarantor acknowledges that Lender and its successors and assigns may (i) sell this Guaranty, the Note and other Loan Documents to one or more investors as a whole loan, (ii) participate the Loan secured by this Guaranty to one or more investors, (iii) deposit this Guaranty, the Note and other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets, or (iv) otherwise sell the Loan or interest therein to investors (the transactions referred to in clauses (i) through (iv) are hereinafter each referred to as "SECONDARY MARKET TRANSACTION"). Guarantor 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. Guarantor shall provide such information and documents relating to Guarantor, Borrower, the Property and any tenants of the Improvements as Lender may reasonably request in connection with such Secondary Market Transaction. In addition, Guarantor 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 Guarantor to Lender may ultimately be incorporated into the offering documents for the Secondary Market Transaction and thus various investors and potential 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, Guarantor in the form as provided by Guarantor. Lender may publicize the existence of the Loan in connection with its marketing for a Secondary Market Transaction or otherwise as part of its business development.

5.15 REINSTATEMENT IN CERTAIN CIRCUMSTANCES. If at any time any payment of the principal of or interest under the Note or any other amount payable by the Borrower under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, the Guarantor's obligations hereunder with respect to such payment

shall be reinstated as though such payment has been due but not made at such time.

[NO FURTHER TEXT ON THIS PAGE]

EXECUTED as of the day and year first above written.

GUARANTOR:

CEDAR SHOPPING CENTERS
PARTNERSHIP, L.P., a Delaware
limited partnership

By: Cedar Shopping Centers, Inc., a Maryland
corporation, its general partner

By: -----

Name: Brenda J. Walker
Title: Vice President

SUPPLEMENTAL GUARANTY

This SUPPLEMENTAL GUARANTY (this "GUARANTY") is executed as of November 1, 2004 by CEDAR SHOPPING CENTERS PARTNERSHIP, L.P. ("GUARANTOR"), for the benefit of EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation ("LENDER").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Promissory Note, dated of even date herewith, executed by CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company ("BORROWER"), and payable to the order of Lender in the original principal amount of FORTY-THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$43,500,000.00) (together with all renewals, modifications, increases and extensions thereof, the "NOTE"), Borrower has become indebted to Lender with respect to a loan (the "LOAN") which is made pursuant to that certain Loan Agreement, dated of even date herewith, between Borrower and Lender (the "LOAN AGREEMENT");

WHEREAS, Lender is not willing to make the Loan, or otherwise extend credit, to Borrower unless Guarantor unconditionally guarantees payment and performance to Lender of the Guaranteed Obligations (as herein defined); and

WHEREAS, Guarantor is the owner of a direct or indirect interest in Borrower, and Guarantor will directly benefit from Lender's making the Loan to Borrower.

NOW, THEREFORE, as an inducement to Lender to make the Loan to Borrower and to extend such additional credit as Lender may from time to time agree to extend under the Loan Documents, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I

NATURE AND SCOPE OF GUARANTY

1.1 GUARANTY OF OBLIGATION. Guarantor hereby irrevocably and unconditionally guarantees to Lender and its successors and assigns the payment and performance of the Guaranteed Obligations as and when the same shall be due and payable, whether by lapse of time, by acceleration of maturity or otherwise. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor. This Guaranty shall terminate and be of no further force and effect upon Borrower's performance in full of its obligations under Section 4.1.23 of the Loan Agreement.

1.2 DEFINITION OF GUARANTEED OBLIGATIONS. As used herein, the term "GUARANTEED OBLIGATIONS" means the obligations or liabilities of Borrower to Lender for any loss, damage, cost, expense, liability, claim or other

obligation incurred by Lender (including attorneys' fees and costs reasonably incurred) arising out of or in connection with any breach of Borrower's payment and performance obligations pursuant to Section 4.1.23 of the Loan Agreement.

1.3 NATURE OF GUARANTY. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor and after (if Guarantor is a natural person) Guarantor's death (in which event this Guaranty shall be binding upon Guarantor's estate and Guarantor's legal representatives and heirs). The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of Guarantor to Lender with respect to the Guaranteed Obligations. This Guaranty may be enforced by Lender and any subsequent holder of the Note and shall not be discharged by the assignment or negotiation of all or part of the Note.

1.4 GUARANTEED OBLIGATIONS NOT REDUCED BY OFFSET. The Guaranteed Obligations and the liabilities and obligations of Guarantor to Lender hereunder shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower or any other party against Lender or against payment of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

1.5 PAYMENT BY GUARANTOR. If all or any part of the Guaranteed Obligations shall not be punctually paid when due, whether at demand, maturity, acceleration or otherwise, Guarantor shall, immediately upon demand by Lender and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate the maturity, notice of acceleration of the maturity or any other notice whatsoever, unless required by applicable law, pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to Lender at Lender's address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

1.6 NO DUTY TO PURSUE OTHERS. It shall not be necessary for Lender (and Guarantor hereby waives any rights which Guarantor may have to require Lender), in order to enforce the obligations of Guarantor hereunder, first to (i) institute suit or exhaust its remedies against Borrower or others liable on the Loan or the Guaranteed Obligations or any other person, (ii) enforce Lender's rights against any collateral which shall ever have been given to secure the Loan, (iii) enforce Lender's rights against any other guarantors of the Guaranteed Obligations, (iv) join Borrower or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty, (v) exhaust any remedies available to Lender against any collateral which shall ever have been given to secure the Loan, or (vi) resort to any other means of obtaining payment of the Guaranteed Obligations. Lender shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

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1.7 WAIVERS. Guarantor agrees to the provisions of the Loan Documents and hereby waives notice, of and any rights of consent to (i) any loans or advances made by Lender to Borrower, (ii) acceptance of this Guaranty, (iii) any amendment or extension of the Note, the Mortgage, the Loan Agreement or of any other Loan Documents, (iv) the execution and delivery by Borrower and Lender of any other loan or credit agreement or of Borrower's execution and delivery of any promissory notes or other documents arising under the Loan Documents or in connection with the Property, (v) the occurrence of any breach by Borrower or an Event of Default, (vi) Lender's transfer or disposition of the Guaranteed Obligations, or any part thereof, (vii) sale or foreclosure (or posting or advertising for sale or foreclosure) of any collateral for the Guaranteed Obligations, (viii) protest, proof of non-payment or default by Borrower, or (ix) any other action at any time taken or omitted by Lender and, generally, all demands and notices of every kind in connection with this Guaranty, the Loan Documents, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations and the obligations hereby guaranteed.

1.8 PAYMENT OF EXPENSES. In the event that Guarantor should breach or fail to timely perform any provisions of this Guaranty, Guarantor shall, immediately upon demand by Lender, pay Lender all costs and expenses (including court costs and attorneys' fees) incurred by Lender in the enforcement hereof or the preservation of Lender's rights hereunder. The covenant contained in this Section shall survive the payment and performance of the Guaranteed Obligations.

1.9 EFFECT OF BANKRUPTCY. In the event that pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law or any judgment, order or decision thereunder, Lender must rescind or restore any payment or any part thereof received by Lender in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by Lender shall be without effect and this Guaranty shall remain in full force and effect. It is the intention of Borrower and Guarantor that Guarantor's obligations hereunder shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance.

1.10 WAIVER OF SUBROGATION, REIMBURSEMENT AND CONTRIBUTION. Notwithstanding anything to the contrary contained in this Guaranty, Guarantor hereby unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating the Guarantor to the rights of Lender), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Borrower or any other party liable for payment of any or all of the Guaranteed Obligations for any payment made by Guarantor under or in connection with this Guaranty or otherwise.

1.11 BORROWER. The term "BORROWER" as used herein shall include any new or successor corporation, association, partnership (general or limited), limited liability company joint venture, trust or other individual or organization including any of same formed as a result of any merger,

reorganization, sale, transfer, devise, gift or bequest of Borrower or any interest in Borrower.

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1.12 RELEASE OF GUARANTOR. Upon the substitution of Guarantor pursuant to Section 8.3 of the Loan Agreement, Guarantor shall be released from any liability or other obligation under this Guaranty first arising after the date of such substitution.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTOR'S OBLIGATIONS

Guarantor hereby consents and agrees to each of the following and agrees that Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following and waives any common law, equitable, statutory or other rights (including without limitation rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:

2.1 MODIFICATIONS. Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, the Note, the Mortgage, the Loan Agreement, the other Loan Documents or any other document, instrument, contract or understanding between Borrower and Lender or any other parties pertaining to the Guaranteed Obligations or any failure of Lender to notify Guarantor of any such action.

2.2 ADJUSTMENT. Any adjustment, indulgence, forbearance or compromise that might be granted or given by Lender to Borrower or any Guarantor.

2.3 CONDITION OF BORROWER OR GUARANTOR. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower, Guarantor or any other party at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Borrower or Guarantor or any sale, lease or transfer of any or all of the assets of Borrower or Guarantor or any changes in the shareholders, partners or members of Borrower or Guarantor; or any reorganization of Borrower or Guarantor.

2.4 INVALIDITY OF GUARANTEED OBLIGATIONS. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations or any document or agreement executed in connection with the Guaranteed Obligations for any reason whatsoever, including without limitation the fact that (i) the Guaranteed Obligations or any part thereof exceeds the amount permitted by law, (ii) the act of creating the Guaranteed Obligations or any part thereof is ultra vires, (iii) the officers or representatives executing the Note, the Mortgage, the Loan Agreement or the other Loan Documents or otherwise creating the Guaranteed Obligations acted in excess of their authority, (iv) the Guaranteed Obligations violate applicable usury laws, (v) the Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially uncollectible from Borrower, (vi) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, or (vii) the Note, the Mortgage, the Loan Agreement or any of the other Loan Documents have been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantor shall remain liable hereon regardless of whether

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Borrower or any other person be found not liable on the Guaranteed Obligations or any part thereof for any reason.

2.5 RELEASE OF OBLIGORS. Any full or partial release of the liability of Borrower on the Guaranteed Obligations or any part thereof, or of any co-guarantors, or any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, it being recognized, acknowledged and agreed by Guarantor that Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support of any other party, and Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other parties will be liable to pay or perform the Guaranteed Obligations, or that Lender will look to other parties to pay or perform the Guaranteed Obligations.

2.6 OTHER COLLATERAL. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations.

2.7 RELEASE OF COLLATERAL. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations.

2.8 CARE AND DILIGENCE. The failure of Lender or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of any collateral, property or security, including but not limited to any neglect, delay, omission, failure or refusal of Lender (i) to take or prosecute any action for the collection of any of the Guaranteed Obligations or (ii) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (iii) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations.

2.9 UNENFORCEABILITY. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by Guarantor that Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the collateral for the Guaranteed Obligations.

2.10 OFFSET. The Note, the Guaranteed Obligations and the liabilities and obligations of the Guarantor to Lender hereunder shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, claim or defense of Borrower or Guarantor against Lender, or any other party, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

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2.11 MERGER. The reorganization, merger or consolidation of Borrower into or with any other Person.

2.12 PREFERENCE. Any payment by Borrower to Lender is held to constitute a preference under bankruptcy laws or for any reason Lender is required to refund such payment or pay such amount to Borrower or someone else.

2.13 OTHER ACTIONS TAKEN OR OMITTED. Any other action taken or omitted to be taken with respect to the Loan Documents, the Guaranteed Obligations, or the security and collateral therefor, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it is the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or un contemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into the Loan Documents and extend credit to Borrower, Guarantor represents and warrants to Lender as follows:

3.1 BENEFIT. Guarantor is an Affiliate of Borrower, is the owner of a direct or indirect interest in Borrower, and has received, or will receive, direct or indirect benefit from the making of this Guaranty with respect to the Guaranteed Obligations.

3.2 FAMILIARITY AND RELIANCE. Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of the Borrower and is familiar with the value of any and all collateral intended to be created as security for the payment of the Note or Guaranteed Obligations; however, Guarantor is not relying on such financial condition or the collateral as an inducement to enter into this Guaranty.

3.3 NO REPRESENTATION BY LENDER. Neither Lender nor any other

party has made any representation, warranty or statement to Guarantor in order to induce the Guarantor to execute this Guaranty.

3.4 GUARANTOR'S FINANCIAL CONDITION. As of the date hereof, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, Guarantor is and will be solvent and has and will have assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities) and debts, and has and will have property and assets sufficient to satisfy and repay its obligations and liabilities.

3.5 LEGALITY. The execution, delivery and performance by Guarantor of this Guaranty and the consummation of the transactions contemplated hereunder do not and will not contravene or conflict with any law, statute or regulation whatsoever to which Guarantor is subject or constitute a default (or

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an event which with notice or lapse of time or both would constitute a default) under, or result in the breach of, any indenture, mortgage, charge, lien, or any contract, agreement or other instrument to which Guarantor is a party or which may be applicable to Guarantor. This Guaranty is a legal and binding obligation of Guarantor and is enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

3.6 LIENS. Guarantor has not created nor is the beneficiary of any Liens encumbering the Property or any interest therein.

3.7 SURVIVAL. All representations and warranties made by Guarantor herein shall survive the execution hereof. ARTICLE IV

SUBORDINATION OF CERTAIN INDEBTEDNESS

4.1 SUBORDINATION OF ALL GUARANTOR CLAIMS. As used herein, the term "GUARANTOR CLAIMS" shall mean all debts and liabilities of Borrower to Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, or whether the obligations of Borrower thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the person or persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by Guarantor. The Guarantor Claims shall include without limitation all rights and claims of Guarantor against Borrower (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guaranteed Obligations. After the occurrence and during the continuation of an Event of Default, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any amount upon the Guarantor Claims.

4.2 CLAIMS IN BANKRUPTCY. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving Guarantor as debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Guarantor hereby assigns such dividends and payments to Lender. Should Lender receive, for application against the Guaranteed Obligations, any dividend or payment which is otherwise payable to Guarantor and which, as between Borrower and Guarantor, shall constitute a credit against the Guarantor Claims, then, upon payment to Lender in full of the Guaranteed Obligations, Guarantor shall become subrogated to the rights of Lender to the extent that such payments to Lender on the Guarantor Claims have contributed toward the liquidation of the Guaranteed Obligations, and such subrogation shall be with respect to that proportion of the Guaranteed Obligations which would have been unpaid if Lender had not received dividends or payments upon the Guarantor Claims.

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4.3 PAYMENTS HELD IN TRUST. In the event that, notwithstanding anything to the contrary in this Guaranty, Guarantor should receive any funds, payment, claim or distribution which is prohibited by this Guaranty, Guarantor agrees to hold in trust for Lender an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions so received except to pay them promptly to Lender, and Guarantor covenants promptly to pay the same to Lender.

4.4 LIENS SUBORDINATE. Guarantor agrees that any liens,

security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guaranteed Obligations, regardless of whether such encumbrances in favor of Guarantor or Lender presently exist or are hereafter created or attach. Without the prior written consent of Lender, Guarantor shall not (i) create any Liens encumbering the Property or any interest therein, (ii) exercise or enforce any creditor's right it may have against Borrower, or (iii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including without limitation the commencement of, or joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgage, deeds of trust, security interests, collateral rights, judgments or other encumbrances on assets of Borrower held by Guarantor.

ARTICLE V

MISCELLANEOUS

5.1 WAIVER. No failure to exercise, and no delay in exercising, on the part of Lender, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Lender hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty, nor consent to departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

5.2 NOTICES. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "NOTICE") required, permitted, or desired to be given hereunder shall be in writing sent by telefax (with answer back acknowledged) or by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 5.2. Any Notice shall be deemed to have been received: (a) three (3) days after the date such Notice is mailed, (b) on the date of sending by facsimile transmission if sent during business hours on a Business Day (as defined in the Loan Agreement, otherwise on the next Business Day), (c) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day), and (d) on the

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next Business Day if sent by an overnight commercial courier, in each case addressed to the parties as follows:

If to Lender: Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Head of Portfolio Operations
Facsimile No.: (212) 479-5800

with a copy to: Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Legal Director
Facsimile No.: (212) 479-5800

with a copy to: Cadwalader, Wickersham & Taft LLP
100 Maiden Lane
New York, New York 10038
Attention: Michael G. Kavourias, Esq.
Facsimile No.: (212) 504-6666

If to Guarantor: Cedar Shopping Center Partnership, L.P.
44 South Bayles Avenue
Suite 304
Port Washington, NY 11050
Attn: Brenda Walker
Stuart Widowski
Fax No.: (516) 767-6497

with a copy to: Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, New York 10038
Attn: Steven P. Moskowitz
Fax No.: (212) 806-6006

5.3 GOVERNING LAW; SUBMISSION TO JURISDICTION. This Guaranty shall be governed by and construed in accordance with the laws of the State of New York and the applicable laws of the United States of America. Any legal suit, action or proceeding against Lender or Guarantor arising out of or relating to this Guaranty may at Lender's option be instituted in any Federal or State court in the City of New York, County of New York, pursuant to Section 5-1402 of the New York General Obligations Law and Guarantor waives any objections which it may now or hereafter have based on venue and/or forum non conveniens of any such suit, action or proceeding, and Guarantor hereby

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irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding. Guarantor does hereby designate and appoint:

Stuart H. Widowski
44 South Bayles Avenue
Port Washington, New York 11050

as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any Federal or State court in New York, New York, and agrees that service of process upon said agent at said address and written notice of said service mailed or delivered to Guarantor in the manner provided herein shall be deemed in every respect effective service of process upon Guarantor in any such suit, action or proceeding in the State of New York.

5.4 INVALID PROVISIONS. If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

5.5 AMENDMENTS. This Guaranty may be amended only by an instrument in writing executed by the party or an authorized representative of the party against whom such amendment is sought to be enforced.

5.6 PARTIES BOUND; ASSIGNMENT; JOINT AND SEVERAL. This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives; provided, however, that Guarantor may not, without the prior written consent of Lender, assign any of its rights, powers, duties or obligations hereunder. If Guarantor consists of more than one person or party, the obligations and liabilities of each such person or party shall be joint and several.

5.7 HEADINGS. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

5.8 RECITALS. The recital and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered prima facie evidence of the facts and documents referred to therein.

5.9 COUNTERPARTS. To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the

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signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

5.10 RIGHTS AND REMEDIES. If Guarantor becomes liable for any indebtedness owing by Borrower to Lender, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may ever have against Guarantor. The exercise by Lender of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

5.11 OTHER DEFINED TERMS. Any capitalized term utilized herein shall have the meaning as specified in the Loan Agreement, unless such term is otherwise specifically defined herein.

5.12 ENTIRETY. THIS GUARANTY EMBODIES THE FINAL, ENTIRE AGREEMENT OF GUARANTOR AND LENDER WITH RESPECT TO GUARANTOR'S GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY GUARANTOR AND LENDER AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND LENDER, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES, AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY AGREEMENT. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTOR AND LENDER.

5.13 WAIVER OF RIGHT TO TRIAL BY JURY. GUARANTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY, THE NOTE, THE MORTGAGE, THE LOAN AGREEMENT, OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY GUARANTOR.

5.14 COOPERATION. Guarantor acknowledges that Lender and its successors and assigns may (i) sell this Guaranty, the Note and other Loan Documents to one or more investors as a whole loan, (ii) participate the Loan secured by this Guaranty to one or more investors, (iii) deposit this Guaranty,

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the Note and other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets, or (iv) otherwise sell the Loan or interest therein to investors (the transactions referred to in clauses (i) through (iv) are hereinafter each referred to as "SECONDARY MARKET TRANSACTION"). Guarantor 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. Guarantor shall provide such information and documents relating to Guarantor, Borrower, the Property and any tenants of the Improvements as Lender may reasonably request in connection with such Secondary Market Transaction. In addition, Guarantor 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 Guarantor to Lender may ultimately be incorporated into the offering documents for the Secondary Market Transaction and thus various investors and potential 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, Guarantor in the form as provided by Guarantor. Lender may publicize the existence of the Loan in connection with its marketing for a Secondary Market Transaction or otherwise as part of its business development.

5.15 REINSTATEMENT IN CERTAIN CIRCUMSTANCES. If at any time any payment of the principal of or interest under the Note or any other amount payable by the Borrower under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, the Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment has been due but not made at such time.

[NO FURTHER TEXT ON THIS PAGE]

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EXECUTED as of the day and year first above written.

GUARANTOR:

CEDAR SHOPPING CENTERS PARTNERSHIP, L.P.,
a Delaware limited partnership

By: Cedar Shopping Centers, Inc., a Maryland
corporation, its general partner

By:

Name: Brenda J. Walker
Title: Vice President

CASH MANAGEMENT AGREEMENT

Dated: as of November 1, 2004

AMONG

CEDAR-FRANKLIN VILLAGE LLC
as Borrower

AND

EUROHYPO AG, NEW YORK BRANCH
as Lender

AND

PNC BANK, NATIONAL ASSOCIATION
as Agent

AND

CALARESE PROPERTIES, INC.
as Manager

CASH MANAGEMENT AGREEMENT

CASH MANAGEMENT AGREEMENT (this "Agreement"), dated as of November 1, 2004, among CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company ("Borrower"), PNC BANK, National Association, a national banking association ("Agent"), EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation ("Lender") and CALARESE PROPERTIES, INC., a Massachusetts corporation ("Manager").

W I T N E S S E T H :
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WHEREAS, pursuant to a certain Loan Agreement (the "Loan Agreement") dated the date hereof between Borrower and Lender, Lender has made a loan to Borrower in the principal amount of \$43,500,000.00;

WHEREAS, pursuant to the Mortgage and the Assignment of Leases, Borrower has granted to Lender a security interest in all of Borrower's right, title and interest in, to and under the Rents, and has assigned and conveyed to Lender all of Borrower's right, title and interest in, to and under the Rents due and to become due to Borrower or to which Borrower is now or may hereafter become entitled, arising out of the Property or any part or parts thereof;

WHEREAS, Borrower and Manager have entered into a management agreement with respect to the Property of even date herewith, pursuant to which Manager has agreed to manage the Property; and

WHEREAS, pursuant to the Clearing Account Agreement, the Clearing Account Bank shall receive and process all Rents and shall transfer by wire transfer or via the ACH System to the Deposit Account all amounts constituting available funds on deposit in the Clearing Account;

NOW, THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Loan Agreement. As used herein, the following terms shall have the following definitions:

"Accounts" means, collectively, the Capital Expenditure Account, the Debt Service Account, the Insurance Account, the Deposit Account, the Required Repair Account, the Rollover Account and the Tax Account.

"ACH System" means the automated clearinghouse system.

"Agent" shall mean PNC Bank, National Association, as agent under this Agreement, together with its successors and assigns.

"Agreement" this Cash Management Agreement dated as of October _____ 2004, among Borrower, Manager, Agent and Lender, as amended, supplemented or otherwise modified from time to time.

"Borrower" Cedar-Franklin Village LLC, together with its successors and permitted assigns.

"Capital Expenditure Account" as defined in Section 2.1(f).

"Clearing Account" that certain collection account established by Borrower with Clearing Account Bank into which Borrower and Manager shall cause all Rents to be deposited in accordance with the terms and conditions of the Clearing Account Agreement.

"Clearing Account Agreement" that certain Clearing Account Agreement dated as of the date hereof, among Borrower, Lender and Clearing Account Bank.

"Clearing Account Bank" Northfork Bank, together with its successors and assigns.

"Collateral" as defined in Section 5.1.

"Debt Service Account" as defined in Section 2.1(b).

"Deposit Account" as defined in Section 2.1 (a).

"Eligible Account" shall mean a separate and identifiable account from all other funds held by the holding institution that is either (i) an account or accounts maintained with a federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution or (ii) a segregated trust account or accounts maintained with a federal or state chartered depository institution or trust company acting in its fiduciary capacity which, in the case of a state chartered depository institution or trust company, is subject to regulations substantially similar to 12 C.F.R. ss.9.10(b), having in either case a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal and state authority. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"Eligible Institution" shall mean a depository institution or trust company insured by the Federal Deposit Insurance Corporation the short term unsecured debt obligations or commercial paper of which are rated at least A-1 by Standard & Poor's Ratings Group, P-1 by Moody's Investors Service, Inc. and F-1+ by Fitch, Inc. in the case of accounts in which funds are held for thirty (30) days or less (or, in the case of accounts in which funds are held for more than thirty (30) days, the long term unsecured debt obligations of which are rated at least "AA" by Fitch and S&P and "Aa2" by Moody's).

"Insurance Account" as defined in Section 2.1(d).

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"Lender" shall mean Eurohypo AG, New York Branch, together with its successors and assigns.

"Manager" shall mean Calarese Properties, Inc., together with its successors and permitted assigns, and the Approved Property Manager (as defined in the Loan Agreement).

"Monthly Capital Expenditure Amount" shall mean the monthly deposit for Capital Expenditures required pursuant to Section 6.4 of the Loan Agreement.

"Monthly Insurance Amount" shall mean the monthly deposit for Insurance Premiums required pursuant to Section 6.3 of the Loan Agreement.

"Monthly Payment Date" shall have the meaning ascribed to it in the Loan Agreement.

"Monthly Rollover Amount" shall mean the monthly deposit for leasing commissions and tenant improvement expenditures required pursuant to Section 6.5

of the Loan Agreement.

"Monthly Tax Amount" shall mean the monthly deposit for Taxes required pursuant to Section 6.2 of the Loan Agreement.

"Obligations" as defined in Section 5.1.

"Permitted Investments" shall mean any one or more of the following obligations or securities acquired at a purchase price of not greater than par, including those issued by any Servicer, the trustee under any Securitization or any of their respective Affiliates, payable on demand or having a maturity date not later than the Business Day immediately prior to the first Monthly Payment Date following the date of acquiring such investment and meeting one of the appropriate standards set forth below:

(i) obligations of, or obligations fully guaranteed as to payment of principal and interest by, the United States or any agency or instrumentality thereof, provided such obligations are backed by the full faith and credit of the United States of America including, without limitation, obligations of: the U.S. Treasury (all direct or fully guaranteed obligations), the Farmers Home Administration (certificates of beneficial ownership), the General Services Administration (participation certificates), the U.S. Maritime Administration (guaranteed Title XI financing), the Small Business Administration (guaranteed participation certificates and guaranteed pool certificates), the U.S. Department of Housing and Urban Development (local authority bonds) and the Washington Metropolitan Area Transit Authority (guaranteed transit bonds); provided, however, that the investments described in this clause (i) must (A) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (B) if rated by S&P, not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, have an interest rate tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) not be subject to liquidation prior to their maturity;

(ii) Federal Housing Administration debentures;

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(iii) obligations of the following United States government sponsored agencies: Federal Home Loan Mortgage Corp. (debt obligations), the Farm Credit System (consolidated systemwide bonds and notes), the Federal Home Loan Banks (consolidated debt obligations), the Federal National Mortgage Association (debt obligations), the Student Loan Marketing Association (debt obligations), the Financing Corp. (debt obligations), and the Resolution Funding Corp. (debt obligations); provided, however, that the investments described in this clause (iii) must (A) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (B) if rated by S&P, not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, have an interest rate tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) not be subject to liquidation prior to their maturity;

(iv) federal funds, unsecured certificates of deposit, time deposits, bankers' acceptances and repurchase agreements with maturities of not more than 365 days of any bank, the short term obligations of which at all times are rated in the highest short term rating category by each Rating Agency (or, if not rated by all Rating Agencies, rated by at least one Rating Agency in the highest short term rating category and otherwise acceptable to each other Rating Agency, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial or, if higher, then current ratings assigned to the certificates); provided, however, that the investments described in this clause (iv) must (A) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (B) if rated by S&P, not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, have an interest rate tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) not be subject to liquidation prior to their maturity;

(v) fully Federal Deposit Insurance Corporation-insured demand and time deposits in, or certificates of deposit of, or bankers' acceptances issued by, any bank or trust company, savings and loan association or savings bank, the short term obligations of which at all times are rated in the highest short term rating category by each Rating Agency (or, if not rated by all Rating Agencies, rated by at least one Rating Agency in the highest short term rating category and otherwise acceptable to each other Rating Agency, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial or, if higher, then current ratings assigned to the certificates); provided, however, that the investments described in this clause (v) must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if rated by S&P, not have a "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, have an interest rate tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) not be subject to liquidation prior to their maturity;

(vi) debt obligations with maturities of not more than 365 days and at all times rated by each Rating Agency (or, if not rated by all Rating Agencies, rated by at least one Rating Agency and otherwise acceptable to each other Rating Agency, as confirmed in writing that such investments would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial or, if higher, then current ratings assigned to the certificates) in its highest long-term unsecured debt rating category; provided, however, that the investments described in this clause (vi) must (A) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (B) if

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rated by S&P, not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, have an interest rate tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) not be subject to liquidation prior to their maturity;

(vii) commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) with maturities of not more than 365 days and that at all times is rated by each Rating Agency (or, if not rated by all Rating Agencies, rated by at least one Rating Agency and otherwise acceptable to each other Rating Agency, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial or, if higher, then current ratings assigned to the certificates) in its highest short-term unsecured debt rating; provided, however, that the investments described in this clause (vii) must (A) have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change, (B) if rated by S&P, not have a "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, have an interest rate tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) not be subject to liquidation prior to their maturity;

(viii) units of taxable money market funds, which funds are regulated investment companies, seek to maintain a constant net asset value per share and have the highest rating from each Rating Agency (or, if not rated by all Rating Agencies, rated by at least one Rating Agency and otherwise acceptable to each other Rating Agency, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial or, if higher, then current ratings assigned to the certificates) for money market funds; and

(ix) any other security, obligation or investment which has been approved as a Permitted Investment in writing by (a) Lender and (b) each Rating Agency, as evidenced by a written confirmation that the designation of such security, obligation or investment as a Permitted Investment will not, in and of itself, result in a downgrade, qualification or withdrawal of the initial or, if higher, then current ratings assigned to the certificates by such Rating Agency;

provided, however, that such instrument continues to qualify as a "cash flow investment" pursuant to Code Section 860G(a)(6) earning a passive return in the nature of interest and no obligation or security shall be a Permitted Investment if (A) such obligation or security evidences a right to receive only interest payments or (B) the right to receive principal and interest payments on such obligation or security are derived from an underlying investment that provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment.

"Required Repair Account" as defined in Section 2.1(g).

"Rollover Account" as defined in Section 2.1(e).

"Tax Account" as defined in Section 2.1(c).

"Tenant Direction Letter" as defined in Section 2.2(a).

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"UCC" as defined in Section 5.1(a)(iv).

II. THE ACCOUNTS

Section 2.1 ESTABLISHMENT OF ACCOUNTS. Borrower acknowledges and confirms that Borrower has established the following Accounts with Agent:

(a) An account into which the Clearing Account Bank shall transfer by wire transfer or via the ACH System all amounts constituting available funds on deposit in the Clearing Account (the "Deposit Account");

(b) An account into which Borrower shall deposit, or cause to be deposited, the amounts required for the payment of Debt Service under the Loan (the "Debt Service Account");

(c) An account into which Borrower shall deposit, or cause to be deposited, the sums required to be deposited pursuant to the Loan Agreement for the payment of Taxes (the "Tax Account");

(d) An account into which Borrower shall deposit, or cause to be deposited, the sums required to be deposited pursuant to the Loan Agreement for the payment of Insurance Premiums (the "Insurance Account");

(e) An account into which Borrower shall deposit, or cause to be deposited, the sums required to be deposited pursuant to the Loan Agreement for the payment of leasing commissions and tenant improvement expenditures (the "Rollover Account").

(f) An account into which Borrower shall deposit, or cause to be deposited, the sums required to be deposited pursuant to the Loan Agreement for the payment of Capital Expenditures (the "Capital Expenditure Account"); and

(g) An account into which Borrower shall deposit, or cause to be deposited, the sums required to be deposited pursuant to the Loan Agreement for the payment of the Required Repairs (the "Required Repair Account").

Section 2.2 DEPOSITS INTO DEPOSIT ACCOUNT. Borrower and Manager represent, warrant and covenant that:

(a) Borrower and Manager shall cause all Rents to be deposited directly into the Clearing Account. Without limitation of the foregoing, Borrower shall notify, advise and irrevocably direct each Tenant under each Lease (whether such Lease is presently effective or executed after the date hereof) to send directly to the Clearing Account all payments of Rent pursuant to an instruction letter in the form of Exhibit A attached hereto (a "Tenant Direction Letter").

(b) Commencing with the first billing statement delivered after the date hereof and for each subsequent statement delivered, Borrower and Manager shall instruct all Persons that maintain open accounts with Borrower or Manager or with whom Borrower or Manager does business on an "accounts receivable" basis

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with respect to the Property to deliver all payments due under such accounts to the Clearing Account. Neither Borrower nor Manager shall direct any such Person to make payments due under such accounts in any other manner. (c) intentionally omitted (d) If, notwithstanding the provisions of this Section 2.2, Borrower or Manager receives any Rents or other income from the Property, then (i) such amounts shall be deemed to be Collateral and shall be held in trust for the benefit, and as the property, of Lender, (ii) such amounts shall not be commingled with any other funds or property of Borrower or Manager, and (iii) Borrower or Manager shall deposit such amounts in the Clearing Account within two (2) Business Days of receipt. (e) Without the prior written consent of Lender, neither Borrower nor Manager shall (i) terminate, amend, revoke or modify any Tenant Direction Letter in any manner whatsoever, (ii) direct or cause any Tenant to pay any amount in any manner other than as provided in the related Tenant Direction Letter. (f) There are no other accounts maintained by Borrower, Manager or any other Person into which revenues from the ownership and operation of the Property are deposited other than with respect to revenues Borrower is entitled to receive pursuant to the terms of the Loan Documents. So long as the Note shall be outstanding, neither Borrower, Manager nor any other Person shall open any other such account for the deposit of Rent or revenues from the Property.

Section 2.3 ACCOUNT NAME. The Accounts shall each be exclusively in the name of Lender; provided, however, that in the event Lender transfers or assigns the Loan, Agent, at Lender's request, shall change the name of each Account to the name of the transferee or assignee. In the event Lender retains a Servicer to service the Loan, Agent, at Lender's request, shall comply with the instructions of Servicer, as agent for Lender.

Section 2.4 ELIGIBLE ACCOUNTS/CHARACTERIZATION OF ACCOUNTS. Borrower and Agent shall maintain each Account as an Eligible Account. Each Account is and shall be treated either as a "securities account" as such term is defined in Section 8-501(a) of the UCC or a "deposit account" as defined in Section 9-102(a) (29) of the UCC. Agent acknowledges and agrees that the Deposit Account is intended to be a deposit accounts and the Capital Expenditure Account, the Debt Service Account, the Insurance Account, the Required Repair Account, the Rollover Account and the Tax Account are intended to be securities accounts. Agent hereby agrees that each item of property (whether investment property, financial asset, securities, instrument, cash or other property) credited to each Account shall be treated as a "financial asset" within the meaning of Section 8-102(a) (9) of the UCC. Agent shall, subject to the terms of this Agreement, treat Lender as entitled to exercise the rights that comprise any financial asset credited to each Account. All securities or other property underlying any financial assets credited to each Account shall be registered in the name of Agent, endorsed to Agent or in blank or credited to another securities account maintained in the name of Agent and in no case will any financial asset credited to any Account be registered in the name of Borrower,

payable to the order of Borrower or specially indorsed to Borrower.

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Section 2.5 PERMITTED INVESTMENTS. Sums on deposit in the Accounts shall not be invested except in Permitted Investments. Except during the existence of any Event of Default, Borrower shall have the right to direct Agent to invest sums on deposit in the Accounts in Permitted Investments no more than one time per month; provided, however, in no event shall Borrower direct Agent to make a Permitted Investment if the maturity date of that Permitted Investment is later than the date on which the invested sums are required for payment of an obligation for which the Account was created. Borrower hereby irrevocably authorizes and directs Agent to apply any income earned from Permitted Investments to the respective Accounts. The amount of actual losses sustained on a liquidation of a Permitted Investment shall be deposited into the Deposit Account by Borrower no later than two (2) Business Days following such liquidation. All income earned on the funds in the Accounts shall belong to Borrower and shall be credited to such Accounts. Borrower shall be responsible for payment of any federal, state or local income or other tax applicable to income earned from Permitted Investments. The Accounts shall be assigned the federal tax identification number of Borrower, which number is 20-1414039.

III. DEPOSITS

Section 3.1 INITIAL DEPOSITS.

(a) Borrower shall deposit in the Tax Account on the date hereof the amount of \$29,845.90.

(b) Borrower shall deposit in the Insurance Account on the date hereof the amount of \$5,730.00.

(c) Borrower shall deposit in the Rollover Account on the date hereof the amount of \$32,000.00.

(d) Borrower shall deposit in the Capital Expenditure Account on the date hereof the amount of \$2,514.16.

(e) Borrower shall deposit in the Required Repairs Account on the date hereof the amount of \$57,438.00

Section 3.2 ADDITIONAL DEPOSITS. Borrower shall make such additional deposits into the Accounts as may be required by the Loan Agreement.

Section 3.3 DISBURSEMENTS FROM THE DEPOSIT ACCOUNT.

(a) Agent shall withdraw all available funds on deposit in the Deposit Account on every Business Day of each calendar month and disburse such funds in the following amounts in the following order of priority:

(i) First, funds sufficient to pay the Monthly Tax Amount for the next calendar month shall be deposited in the Tax Account;

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(ii) Then, funds sufficient to pay the Monthly Insurance Amount for the next calendar month shall be deposited in the Insurance Account;

(iii) Then, funds sufficient to pay the Monthly Debt Service Payment Amount for the next calendar month shall be deposited in the Debt Service Account;

(iv) Then, funds sufficient to pay the Monthly Capital Expenditure Amount for the next calendar month shall be deposited in the Capital Expenditure Account;

(v) Then, funds sufficient to pay the Monthly Rollover Amount for the next calendar month shall be deposited into the Rollover Account;

(vi) Then, funds sufficient to pay any interest accruing at the Default Rate and late payment charges, if any, shall be deposited in the Debt Service Account;

(vii) Finally, provided no Event of Default has occurred and remains uncured, all amounts remaining in the Deposit Account after deposits for items (i) through (vi) shall be paid to Borrower.

IV. WITHDRAWALS

Section 4.1 WITHDRAWALS FROM TAX, INSURANCE PREMIUM AND DEBT SERVICE ACCOUNTS. Pursuant to Section 6.2.2 of the Loan Agreement, Lender shall have the right to withdraw amounts on deposit in the Tax Account to pay Taxes on or before the date Taxes are due and payable. Lender shall have the right to

withdraw amounts from the Insurance Account to pay Insurance Premiums on or before the date Insurance Premiums are due and payable. Lender shall have the right to withdraw amounts from the Debt Service Account to pay default interest and late charges, if any, and to pay the Monthly Debt Service Payment Amount on the date the Monthly Debt Service Payment Amount is due and payable.

Section 4.2 REQUESTS FOR WITHDRAWALS FROM THE ROLLOVER, CAPITAL EXPENDITURES, AND REQUIRED REPAIR ACCOUNTS. Pursuant to Sections 6.4.2 and 6.5.2 of the Loan Agreement, Agent shall disburse funds on deposit in the Rollover Account, Capital Expenditure Account, and the Required Repair Account in accordance with the written request of Borrower. Lender shall so approve provided all the procedures and requirements set forth in the Loan Agreement for such withdrawal have been complied with.

Section 4.3 INTENTIONALLY OMITTED.

Section 4.4 SOLE DOMINION AND CONTROL. Borrower and Manager acknowledge and agree that the Accounts are subject to the sole dominion, control and discretion of Lender, its authorized agents or designees, including Agent, subject to the terms hereof. Neither Borrower nor Manager shall have the right of withdrawal with respect to any Account except with the prior written consent of Lender. Agent shall have the right and agrees to comply with instructions originated by Lender with respect to the disposition of funds in the Accounts without the further consent of Borrower or Manager or any other Person. Agent shall comply with all "entitlement orders" (as defined in Section 8-102(a)(8) of the UCC) and instructions originated by Lender directing transfer or redemptions

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of any financial asset relating to any Account without further consent by Borrower or any other Person.

V. PLEDGE OF ACCOUNTS

Section 5.1 SECURITY FOR OBLIGATIONS. (a) To secure the full and punctual payment and performance of all obligations of Borrower now or hereafter existing with respect to the Loan, whether for principal, interest, fees, expenses or otherwise, and all obligations of Borrower now or hereafter existing under the Loan Agreement, the Note, the Mortgage, this Agreement and all other Loan Documents (all such obligations, collectively, the "Obligations"), Borrower hereby grants to Lender a first priority continuing security interest in and to the following property of Borrower, whether now owned or existing or hereafter acquired or arising and regardless of where located (all of the same, collectively, the "Collateral"):

(i) the Accounts and all cash, checks, drafts, certificates and instruments, if any, from time to time deposited or held in the Accounts, including, without limitation, all deposits or wire transfers made to the Accounts;

(ii) any and all Permitted Investments;

(iii) all interest, dividends, cash, instruments, investment property and other property from time to time received, receivable or otherwise payable in respect of, or in exchange for, any or all of the foregoing; and

(iv) to the extent not covered by clauses (i), (ii) or (iii) above, all "proceeds" (as defined under the Uniform Commercial Code as in effect in the State of New York (the "UCC")) of any or all of the foregoing.

(b) Lender and Agent, as agent for Lender, shall have with respect to the Collateral, in addition to the rights and remedies herein set forth, all of the rights and remedies available to a secured party under the UCC, as if such rights and remedies were fully set forth herein.

(c) All Statements and reports prepared by Agent with respect to the Accounts shall to be sent to Borrower and Lender no less frequently than monthly.

Section 5.2 RIGHTS ON DEFAULT. Upon the occurrence of an Event of Default, and without any duty on the Agent to determine or ascertain if a cure of such Event of Default shall have occurred and, without notice from Agent or Lender, (a) Borrower shall have no further right in respect of (including, without limitation, the right to instruct Lender or Agent to transfer excess funds from) the Accounts, (b) Lender may direct Agent to liquidate and transfer any amounts then invested in Permitted Investments to the Accounts or reinvest such amounts in other Permitted Investments as Lender may reasonably determine is necessary to perfect or protect any security interest granted or purported to be granted hereby or to enable Agent, as agent for Lender, or Lender to exercise and enforce Lender's rights and remedies hereunder with respect to any Collateral, and (c) Lender may apply any Collateral to any Obligations in such order of priority as Lender may determine.

Section 5.3 FINANCING STATEMENT; FURTHER ASSURANCES. Simultaneously herewith, Borrower shall deliver to Lender for filing a financing statement or statements in connection with the Collateral in the form required by Lender to properly perfect Lender's security interest therein. Borrower agrees that at any time and from time to time, at the expense of Borrower, Borrower will promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or practical, or that Agent or Lender may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby (including, without limitation, any security interest in and to any Permitted Investments) or to enable Agent or Lender to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

Section 5.4 TERMINATION OF AGREEMENT. This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until payment in full of the Obligations. Upon payment and performance in full of the Obligations, this Agreement shall terminate and Borrower shall be entitled to the return, upon its request and at its expense, of such of the Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof, and Agent and/or Lender shall execute such instruments and documents as may be reasonably requested by Borrower to evidence such termination and the release of the lien hereof.

VI. RIGHTS AND DUTIES OF LENDER AND AGENT

Section 6.1 REASONABLE CARE. Beyond the exercise of reasonable care in the custody thereof or as otherwise expressly provided herein, neither Agent nor Lender shall have any duty as to any Collateral in its possession or control as agent therefor or bailee thereof or any income thereon or the preservation of rights against any Person or otherwise with respect thereto. Agent and Lender each 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 Agent or Lender accords its own property, it being understood that Lender shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in value thereof, by reason of the act or omission of Agent or Lender, its Affiliates, agents, employees or bailees, except to the extent that such loss or damage results from Agent's or Lender's gross negligence, bad faith or willful misconduct, provided that nothing in this Article VI shall be deemed to relieve Agent from the duties and standard of care which, as a commercial bank, it generally owes to depositors. Neither Lender nor Agent shall have any liability for any loss or the amount of income resulting from the investment of funds in Permitted Investments in accordance with the terms and conditions of this Agreement. In no event shall Agent be liable for any lost profits or for any indirect, special, consequential or punitive damages even if advised of the possibility or likelihood of such damages. This Section shall survive termination of the Agreement.

Section 6.2 INDEMNITY. Agent, in its capacity as agent hereunder, shall be responsible for the performance only of such duties as are specifically set forth herein, and no duty shall be implied from any provision hereof. Agent shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own monies. Borrower shall indemnify and hold Agent and Lender, their respective employees and officers harmless from and against any loss, cost or actual damage (including, without limitation, reasonable

attorneys' fees and disbursements) actually incurred by Agent or Lender in connection with the transactions contemplated hereby, except to the extent that such loss or damage results from Agent's or Lender's gross negligence, bad faith, or willful misconduct. This Section shall survive termination of the Agreement.

Section 6.3 RELIANCE. Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper, document or signature believed by it, in the exercise of reasonable judgment and good faith, to be genuine, and it may be assumed that any person purporting to act on behalf of any Person giving any of the foregoing in connection with the provisions hereof has been duly authorized to do so. Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder and in good faith in accordance therewith. Agent shall not be liable for any act or omission done or omitted to be done by Agent in reliance upon any instruction, direction or certification received by Agent and without gross negligence, bad faith or willful or reckless misconduct.

Section 6.4 RESIGNATION OF AGENT. (a) Agent shall have the right to resign as Agent hereunder upon thirty (30) days' prior written notice to Borrower and Lender, and in the event of such resignation, Borrower shall appoint a successor Agent which must be an Eligible Institution. No such resignation by Agent shall become effective until a successor Agent shall have

accepted such appointment and executed an instrument by which it shall have assumed all of the rights and obligations of Agent hereunder. If no such successor Agent is appointed within sixty (60) days after receipt of the resigning Agent's notice of resignation, the resigning Agent may petition a court for the appointment of a successor Agent. Notwithstanding the foregoing, Agent may resign from this Agreement immediately upon written notice to the other parties in the event of suspected fraud or other illegal activity in connection with the Accounts or this Agreement.

(b) In connection with any resignation by Agent, (i) the resigning Agent shall, at the sole cost of Borrower, (A) duly assign, transfer and deliver to the successor Agent this Agreement and all cash and Permitted Investments held by it hereunder, (B) execute and/or authorize such financing statements and other instruments as may be necessary to assign to the successor Agent the security interest in the Collateral existing in favor of the retiring Agent hereunder and to otherwise give effect to such succession and (C) take such other actions as may be reasonably required by Lender or the successor Agent in connection with the foregoing, (ii) the successor Agent shall establish in its name, as secured party, cash collateral accounts, which shall become the Accounts for purposes of this Agreement upon the succession of such Agent and (iii) Borrower shall cooperate with Lender to issue new joint instructions to Tenants with respect to the payment of Rents to such successor Agent and to the Closing Account Bank with respect to the transfer of funds to such successor Agent.

(c) Lender at its sole discretion shall have the right, upon thirty (30) days notice to Agent, to substitute Agent with a successor Agent that satisfies the requirements of an Eligible Institution or to have one or more of the Accounts held by another Eligible Institution, provided that such successor Agent shall perform the duties of Agent pursuant to the terms of this Agreement.

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Section 6.5 LENDER APPOINTED ATTORNEY-IN-FACT. Upon the occurrence and during the continuation of an Event of Default, Borrower hereby irrevocably constitutes and appoints Lender as Borrower's true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any instruments and to exercise and enforce every right, power, remedy, option and privilege of Borrower with respect to the Collateral, and do in the name, place and stead of Borrower, all such acts, things and deeds for and on behalf of and in the name of Borrower, which Borrower could or might do or which Agent or Lender may deem necessary or desirable to more fully vest in Lender the rights and remedies provided for herein and to accomplish the purposes of this Agreement. The foregoing powers of attorney are irrevocable and coupled with an interest. If Borrower fails to perform any agreement herein contained and such failure shall continue for five (5) Business Days after notice of such failure is given to Borrower, Lender may perform or cause performance of any such agreement, and any reasonable expenses of Lender and Agent in connection therewith shall be paid by Borrower.

Section 6.6 ACKNOWLEDGMENT OF LIEN/OFFSET RIGHTS. Agent hereby acknowledges and agrees that (a) the Accounts shall be held by Agent in the name of Lender, (b) all funds held in the Accounts shall be held for the benefit of Lender, (c) Borrower has granted to Lender a first priority security interest in the Collateral, (d) Agent shall not disburse any funds from the Accounts except as provided herein, and (e) Agent shall invest and reinvest any balance of the Accounts in Permitted Investments as Borrower shall so direct as provided herein. Agent hereby waives any right of offset, banker's lien or similar rights against, or any assignment of, or security interest or other interest in, the Collateral, except that Agent may charge or set off against the Accounts for fees and expenses payable hereunder, for returned deposit items and for adjustments and corrections in respect of transactions in the Accounts, including, without limitation, returned checks and other deposits with respect to which Agent fails to receive final payment or settlement, and obligations and liabilities arising out of any cash management services provided by Agent, including, but not limited to, Automated Clearing House transactions. If there are insufficient collected funds in the Accounts to cover the amount of any returned check or other adjustment or correction to be debited thereto, Borrower shall repay Agent the amount of such debit immediately upon demand. If Borrower fails to so repay Agent, then Lender shall repay Agent for such debit immediately upon demand to the extent that Lender received the proceeds of the check or other deposit or credit to which the debit relates.

VII. REMEDIES

Section 7.1 REMEDIES. Upon the occurrence and during the continuation of an Event of Default, Lender or Agent, as agent for Lender, may:

(a) without notice to Borrower, except as required by law, and at any time or from time to time, charge, set-off and otherwise apply all or any part of the Collateral against the Obligations or any part thereof;

(b) in its sole discretion, at any time and from time to time, exercise any and all rights and remedies available to it under this Agreement, and/or as a secured party under the UCC and/or under any other applicable law; and

(c) demand, collect, take possession of, receive, settle, compromise, adjust, sue for, foreclose or realize upon the Collateral (or any portion thereof) as Lender may determine in its sole discretion.

Section 7.2 WAIVER. Borrower hereby expressly waives, to the fullest extent permitted by law, presentment, demand, protest or any notice of any kind in connection with this Agreement or the Collateral. Borrower acknowledges and agrees that ten (10) days' prior written notice of the time and place of any public sale of the Collateral or any other intended disposition thereof shall be reasonable and sufficient notice to Borrower within the meaning of the UCC.

VIII. MISCELLANEOUS

Section 8.1 TRANSFERS AND OTHER LIENS. Borrower agrees that it will not (i) sell or otherwise dispose of any of the Collateral or (ii) create or permit to exist any Lien upon or with respect to all or any of the Collateral, except for the Lien granted under this Agreement.

Section 8.2 LENDER'S RIGHT TO PERFORM BORROWER'S OBLIGATIONS; NO LIABILITY OF LENDER. If Borrower fails to perform any of the covenants or obligations contained herein, and such failure shall continue for a period five (5) Business Days after Borrower's receipt of written notice thereof from Lender, Lender may itself perform, or cause performance of, such covenants or obligations, and the reasonable expenses of Lender incurred in connection therewith shall be payable by Borrower to Lender. Notwithstanding Lender's right to perform certain obligations of Borrower, it is acknowledged and agreed that Borrower retains control of the Property and operation thereof and notwithstanding anything contained herein or Agent's or Lender's exercise of any of its rights or remedies hereunder, under the Loan Documents or otherwise at law or in equity, neither Agent nor Lender shall be deemed to be a mortgagee-in-possession nor shall Agent or Lender be subject to any liability with respect to the Property or otherwise based upon any claim of lender liability.

Section 8.3 NO WAIVER. The rights and remedies provided in this Agreement and the other Loan Documents are cumulative and may be exercised independently or concurrently, and are not exclusive of any other right or remedy provided at law or in equity. No failure to exercise or delay by Agent or Lender in exercising any right or remedy hereunder or under the Loan Documents shall impair or prohibit the exercise of any such rights or remedies in the future or be deemed to constitute a waiver or limitation of any such right or remedy or acquiescence therein. Every right and remedy granted to Agent and/or Lender hereunder or by law may be exercised by Agent and/or Lender at any time and from time to time, and as often as Agent and/or Lender may deem it expedient. Any and all of Agent's and/or Lender's rights with respect to the lien and security interest granted hereunder shall continue unimpaired, and Borrower shall be and remain obligated in accordance with the terms hereof, notwithstanding (a) any proceeding of Borrower under the Federal Bankruptcy Code or any bankruptcy, insolvency or reorganization laws or statutes of any state, (b) the release or substitution of Collateral at any time, or of any rights or interests therein or (c) any delay, extension of time, renewal, compromise or other indulgence granted by the Agent and/or Lender in the event of any default, with respect to the Collateral or otherwise hereunder. No delay or extension of time by Agent and/or Lender in exercising any power of sale, option or other right or remedy hereunder, and no notice or demand which may be given to or made

upon Borrower by Agent and/or Lender, shall constitute a waiver thereof, or limit, impair or prejudice Agent's and/or Lender's right, without notice or demand, to take any action against Borrower or to exercise any other power of sale, option or any other right or remedy.

Section 8.4 EXPENSES. Borrower shall pay to Agent and Lender and/or Agent's and Lender's counsel on demand, from time to time, all standard and customary costs and expenses (including, but not limited to, reasonable attorneys' fees and disbursements, and transfer, recording and filing fees, taxes and other charges) of, or incidental to, the creation or perfection of any lien or security interest granted or intended to be granted hereby, the custody, care, sale, transfer, administration, collection of or realization on the Collateral, or in any way relating to the enforcement, protection or preservation of the rights or remedies of Agent and/or Lender under this Agreement, the Loan Agreement, the Note, the Mortgage, or the other Loan Documents. Standard and customary fees and charges associated with the Accounts shall be included on a monthly consolidated account analysis statement which Agent shall submit to Borrower for Borrower's payment. This statement shall set forth the fees and charges payable for such month, including, but not limited to reasonable fees and reasonable expenses incurred in connection with this Agreement and be accompanied by reasonably detailed supporting documentation. Agent shall be entitled to charge the Accounts for such fees and expenses as indicated by the analysis statement.

Section 8.5 ENTIRE AGREEMENT. This Agreement constitutes the entire and final agreement between the parties with respect to the subject matter hereof and may not be changed, terminated or otherwise varied, except by a writing duly executed by the parties.

Section 8.6 NO WAIVER. No waiver of any term or condition of this Agreement, whether by delay, omission or otherwise, shall be effective unless in writing and signed by the party sought to be charged, and then such waiver shall be effective only in the specific instance and for the purpose for which given.

Section 8.7 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns.

Section 8.8 NOTICES. All notices, demands, requests, consents, approvals and other communications (any of the foregoing, a "Notice") required, permitted, or desired to be given hereunder shall be in writing sent by telefax or by registered or certified mail, postage prepaid, return receipt requested or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 8.8. Any such Notice shall be deemed to have been received three (3) days after the date such Notice is mailed or on the date of sending by telefax (if the sender thereof shall have confirmation thereof and a hard copy is also sent by mail to the recipient) or delivery by hand or the next day if sent by an overnight commercial courier addressed to the parties as follows:

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If to Lender: Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Head of Portfolio Operations
Facsimile No.: (212) 479-5800

With a copy to: Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Legal Director
Facsimile No.: (212) 479-5800

With a copy to: Cadwalader, Wickersham & Taft LLP
100 Maiden Lane
New York, New York 10038
Attention: Michael G. Kavourias, Esq.
Facsimile No.: (212) 504-6666

If to Borrower: Cedar-Franklin Village LLC
c/o Cedar Shopping Centers Partnership, L.P.
44 South Bayles Avenue
Suite 304
Port Washington, NY 11050
Attn: Brenda Walker
Stuart Widowski
Fax No.: (516) 767-6497

With a copy to: Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, New York 10038
Attn: Steven P Moskowitz
Fax No.: (212) 806-6006

If to Manager: Calarese Properties, Inc.
1000 Franklin Village Drive
Franklin, Massachusetts 02038
Attn: Richard Calarese
Fax No.: (508)528-0053

With a copy to: Michael Myerow, Esq.
365 Boston Post Road #114
Boston, Massachusetts 01776
Attn: Michael Myerow, Esq.
Fax No.: (978) 443-0566

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If to Agent: PNC Bank, National Association
Treasury Management
Two PNC Plaza, 31st Floor
620 Liberty Avenue
Pittsburgh, Pennsylvania 15222
Attn: Ron Rockovich
Fax No.: (412) 762-6264

With a copy to: PNC Bank, National Association
Treasury Management
Two PNC Plaza, 31st Floor
620 Liberty Avenue
Pittsburgh, Pennsylvania 15222
Attn: Risk Manager
Fax No.: (412) 762-6264

Section 8.9 CAPTIONS. All captions in this Agreement are included herein for convenience of reference only and shall not constitute part of this Agreement for any other purpose.

Section 8.10 GOVERNING LAW. This Agreement shall be governed by and construed and enforced in all respects in accordance with the laws of the State of New York without regard to conflicts of law principles of such State. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be Agent's jurisdiction (within the meaning of Sections 8-110 and 9-304 of the UCC).

Section 8.11 COUNTERPARTS. This Agreement may be executed in any number of counterparts.

Section 8.12 RIGHT TO PLACE HOLD; INTERPLEADER. If at any time: (a) Agent, in good faith, is in doubt as to the action it should take under this Agreement, or (b) the Borrower becomes subject to a voluntary or involuntary bankruptcy, reorganization, receivership or similar proceeding, or (c) Agent is served with legal process which it in good faith believes prohibits the disbursement of the funds deposited in the Accounts, then Agent shall have the right (i) to place a hold on the funds in all such Accounts until such time as it receives an appropriate court order or other assurance satisfactory to it as to the disposition of the funds in the Accounts, or (ii) to commence, at Borrower's expense, an interpleader action in any competent Federal or State Court located in the Commonwealth of Pennsylvania, and otherwise to take no further action except in accordance with joint written instructions from Borrower and Lender or in accordance with the final order of a competent court, served on Agent.

[NO FURTHER TEXT ON THIS PAGE]

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

BORROWER:

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By: Cedar-Franklin Village 2 LLC, a Delaware
limited liability company, its sole member

By: Cedar Shopping Centers Partnership,
L.P., a Delaware limited partnership,
its sole member

By: Cedar Shopping Centers, Inc., a
Maryland corporation, its
general partner

By: _____
Name: Brenda J. Walker
Title: Vice President

LENDER:

EUROHYPO AG, NEW YORK BRANCH, the New York branch of a
German banking corporation

By: _____

Name:
Title:

By: _____
Name:
Title:

AGENT:

PNC Bank, National Association, a national banking
association

By: _____
Name:
Title:

MANAGER:

CALARESE PROPERTIES, INC., a
Massachusetts corporation

By: _____
Name:
Title:

EXHIBIT A

Form of Tenant Direction Letter

[BORROWER LETTERHEAD]

_____, 200__

[TENANTS UNDER LEASES]

Re: _____ Lease dated _____ between _____,
as Landlord, and _____, as Tenant,
concerning premises known as _____

Gentlemen:

This letter shall constitute notice to you that the undersigned has granted a security interest in the captioned lease and all rents, additional rent and all other monetary obligations to landlord thereunder (collectively, "RENT") in favor of Bank as lender ("LENDER"), to secure certain of the undersigned's obligations to Lender. The undersigned hereby irrevocably instructs and authorizes you to disregard any and all previous notices sent to you in connection with Rent and hereafter to deliver all Rent to the following address:

NORTHFORK BANK
P.O. Box 9019
Hicksville, New York 11802

Account No. _____
Attention: _____
ABA# _____

The instructions set forth herein are irrevocable and are not subject to modification in any manner, except that Lender, or any successor lender so identified by Lender, may by written notice to you rescind the instructions contained herein.

Sincerely,

[BORROWER]

ACKNOWLEDGMENT AND AGREEMENT

The undersigned acknowledges notice of the security interest of Lender and hereby confirms that the undersigned has received no notice of any other pledge or assignment of the Rent and will honor the above instructions.

[TENANT]

By: _____

Name:

Its:

Dated as of: _____, 200__

CLEARING ACCOUNT AGREEMENT

This CLEARING ACCOUNT AGREEMENT (the "Agreement") is entered into this 1st day of November, 2004, by and among NORTH FORK BANK, having an address at 275 Broadhollow Road, Melville, New York 11747 (the "Clearing Bank"), CEDAR-FRANKLIN VILLAGE LLC, a Delaware limited liability company, having an address at c/o Cedar Shopping Centers Partnership, L.P., 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050 (the "Borrower"), and EUROHYPO AG, NEW YORK BRANCH, the New York branch of a German banking corporation, having an address at 1114 Avenue of the Americas, Twenty-Ninth Floor, New York, New York 10036 (together with its successors and assigns, the "Lender").

RECITALS

A. Lender has made a mortgage loan in the amount of \$43,500,000.00 (the "Loan") to Borrower pursuant to that certain Loan Agreement of even date herewith between Borrower and Lender (the "Loan Agreement"). Capitalized terms used in this Agreement, unless defined in this Agreement, shall have the meaning ascribed to such term in the Loan Agreement.

B. Borrower and Lender have agreed that all Rents be deposited with a financial institution acceptable to Lender directly into an account designated by and established for the benefit of Lender, and Borrower and Lender desire to retain Clearing Bank to provide the services described herein.

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

1. Defined Terms. In addition to capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the respective meanings set forth below:

"Available Funds" shall mean funds on deposit in the Clearing Account reasonably determined by the Clearing Bank to constitute collected and available funds, by reference to Clearing Bank's then current availability schedule and Regulation CC of the Board of Governors of the Federal Reserve System, as amended and interpreted from time to time.

"Business Day" shall mean any day other than a Saturday, Sunday or any day on which commercial banks in New York, New York are authorized or required to close.

"Cash Management Agreement" shall mean that certain Cash Management Agreement of even date herewith by and among Borrower, Manager, Lender and Cash Management Bank.

"Cash Management Bank" shall mean PNC Bank, National Association.

"Clearing Account Address" shall mean the following address to which Tenants shall pay directly all sums due under such Tenant's lease pursuant to this Agreement and the Cash Management Agreement:

P.O. Box 9019
Hicksville, New York
11802-9019

"Clearing Account" shall have the meaning specified in Paragraph 2(c) below.

"Designee" shall mean the Servicer or other agent of Lender designated by, and acting for the benefit of, Lender. Lender shall provide written notice of such designation to Borrower and Clearing Bank.

"Eligible Account" shall mean a separate and identifiable account from all other funds held by the holding institution that is either (i) an account or accounts maintained with a federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution or (ii) a segregated trust account or accounts maintained with a federal or state chartered depository institution or trust company acting in its fiduciary capacity which, in the case of a state chartered depository institution or trust company, is subject to regulations substantially similar to 12 C.F.R. ss. 9.10(b), having in either case a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal and state authority. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"Eligible Institution" shall mean a depository institution or trust company insured by the Federal Deposit Insurance Corporation the short term unsecured debt obligations or commercial paper of which are rated at least A-1 by Standard & Poor's Ratings Group, P-1 by Moody's Investors Service, Inc. and F-1+ by Fitch, Inc. in the case of accounts in which funds are held for thirty (30) days or less (or, in the case of accounts in which funds are held for more

than thirty (30) days, the long term unsecured debt obligations of which are rated at least "AA" by Fitch and S&P and "Aa2" by Moody's). Notwithstanding the foregoing, North Fork Bank shall be deemed an Eligible Institution for the purposes of this Agreement so long as it maintains its ratings in effect as of the date hereof and so long as it is not placed "On Watch for Downgrade" by any Rating Agency.

"Obligations" shall mean any and all debts, liabilities and obligations of Borrower to Lender pursuant to or in connection with the Loan, including without limitation, the indebtedness evidenced by the Note and any and all debt, liabilities and obligations of Borrower under the Loan Documents.

"Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

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2. Duties of the Clearing Bank.

(a) Clearing Bank shall receive and process any deposits presented or wire transfer made by Borrower, Manager or any of their respective agents for deposit into the Clearing Account pursuant to the Cash Management Agreement (such receipts being collectively referred to herein as "Over-the-Counter Receipts").

(b) Clearing Bank shall receive and process all wire transfers and all mail sent to the Clearing Account Address and open such mail daily in order to examine, remove instruments of payment of money contained therein and deposit such wire transfers and instruments in the Clearing Account. Checks, money orders or other instruments for the payment of money which may be handled as cash items by Federal Reserve Banks (such receipts being collectively referred to herein as the "Receivables Receipts," and, together with the Over-the-Counter Receipts, the "Receipts"), if found by Clearing Bank in its discretion to be in proper order, shall be endorsed by Clearing Bank and deposited daily in the Clearing Account. Borrower hereby designates Clearing Bank as its attorney in fact to endorse Borrower's name on such Receivables Receipts for deposit into the Clearing Account and Borrower shall be liable to Clearing Bank as a general endorser thereon. Mail received by Clearing Bank that contains cash will be processed by creating a deposit ticket listing the cash received, which cash will be deposited into the Clearing Account. Any other items received by Clearing Bank, including items not denominated in U.S. dollars, instruments which are not made payable to the name of the Property, Borrower or Manager or a reasonable abbreviation thereof, or which are otherwise not in proper order or should receive Manager's special attention, shall be forwarded by Clearing Bank to Manager immediately without processing.

(c) In order to further secure the performance by Borrower of the Obligations and as a material inducement for Lender to make the Loan, (i) Borrower has established and will maintain a collection account with Clearing Bank (the "Clearing Account," Account Number 3124062559), into which Clearing Bank shall deposit all Receipts received by it with respect to the Property, (ii) the Clearing Account shall be entitled "Cedar-Franklin Village LLC Clearing Account, as Mortgagor, for the benefit of Mortgagee," and (iii) Clearing Bank shall hold amounts deposited in the Clearing Account for the benefit of Lender and shall designate such amounts on its books as being held for the benefit of Lender. The Clearing Account shall be assigned the federal tax identification number of Borrower.

(d) Clearing Bank shall send a daily credit advice to Borrower or, at Borrower's direction, Manager, which credit advice shall specify the amount of each Receipt deposited into the Clearing Account on such date. The Clearing Bank shall send a monthly statement to Borrower, Manager and Lender, which monthly statement shall specify the credits and charges to the Clearing Account for the previous calendar month. Clearing Bank shall establish Lender and Designee as users of Clearing Bank's e-Cash Management Connection web product in accordance with Clearing Bank's standard procedures. Upon written request of Lender or Designee, (i) Clearing Bank shall send to Lender or Designee, as applicable, either (x) copies of the daily credit advices and any other advices or statements furnished by Clearing Bank to Borrower and Manager hereunder or (y) information on Clearing Account balances, the aggregate amount of withdrawals or transfers from the Clearing Account and other similar information via the electronic data transfer system on a daily basis, and (ii) Clearing Bank shall

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advise Lender or Designee, as applicable, of the amount of Available Funds and shall deliver to Lender or Designee, as applicable, copies of all statements and other information concerning the Clearing Account as Lender or Designee shall reasonably request.

(e) Clearing Bank shall create a record of Receipts (other than those Receipts comprised of cash) by photocopying or imaging each check, money order

or other instrument processed and any accompanying invoices or other documentation (if enclosed). Furthermore, Clearing Bank shall maintain a microfilm or other record of each Receipt which is processed by Clearing Bank in accordance with Clearing Bank's customary procedures. Clearing Bank shall also forward to Borrower or, at Borrower's direction, Manager on a daily basis copies of the supporting adding machine tapes or similar balancing reports, photocopies, envelopes and unprocessed remittances.

(f) Items deposited with Clearing Bank which are returned for insufficient or uncollected funds shall be re-deposited by Clearing Bank a second time. Items returned unpaid the second time for whatever reason shall be processed in accordance with Clearing Bank's customary procedures and the provisions this Agreement.

(g) Without limitation on Lender's other rights hereunder, Clearing Bank agrees to comply with written instructions originated by Lender directing disposition of funds in the Clearing Account, without further consent by Borrower, Manager or any other Person.

3. Transfer of Funds in Clearing Account.

(a) Unless and until the Closing Bank receives written instructions from Lender to the contrary, Clearing Bank shall transfer all Available Funds on deposit in the Clearing Account as follows:

(i) On each Business Day, Clearing Bank shall transfer, by wire transfer or via the ACH System, all Available Funds to the account established pursuant to the terms of the Cash Management Agreement at the Cash Management Bank (the "Lockbox Account") as described in Exhibit A attached hereto.

(ii) Simultaneously with any transfer to the Cash Management Bank, Clearing Bank shall send (or make available via electronic information reporting system) to the Cash Management Bank, Manager, Lender, Designee and Borrower, via telecopy, a wire transfer or ACH System advice setting forth the amount transferred.

4. Fees.

(a) Clearing Bank shall first charge other accounts maintained at Clearing Bank by Borrower for the amount of any exchange, collection, processing, transfer, wire, postage, returned items, chargebacks for uncollected checks deposited in the Clearing Account, services charges, returned checks fees, other charges to which Clearing Bank may be entitled for servicing and maintaining the Cash Management Address and Clearing Account or other out-of-pocket expenses incurred by Clearing Bank, as determined by Clearing Bank from time to time (collectively, "Charges"). In the event that there are not sufficient collected funds in such other accounts to pay the Charges then

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Clearing Bank may charge the Clearing Account for such Charges. In the event that there are insufficient collected funds on deposit in the Clearing Account, Borrower agrees upon demand to pay to Clearing Bank the amount of such Charges.

(b) Clearing Bank shall debit the Clearing Account by the amount of its Charges on a monthly basis or shall include its fees in an account analysis statement.

5. Termination.

(a) Clearing Bank may resign from its obligations under this Agreement at any time after thirty (30) days' prior written notice to the other parties hereto. Upon such resignation, Borrower shall designate a successor to Clearing Bank promptly after receipt of notice of resignation by Clearing Bank, which successor shall be subject to the approval of Lender, and cause such designated successor promptly to assume the obligations of Clearing Bank hereunder. It shall be an Event of Default if a successor to Clearing Bank acceptable to Lender has not been designated or has not assumed the obligations of Clearing Bank prior to the effective date of Clearing Bank's resignation.

(b) Borrower may not unilaterally terminate this Agreement or close any of the accounts established hereunder. Clearing Bank shall not cause or permit any of such accounts to be closed by Borrower unless it has received prior written notice from Lender.

6. Warranties and Liabilities of the Clearing Bank.

(a) The parties hereto agree that Clearing Bank's sole responsibility to Lender, Borrower or any third party for errors made by Clearing Bank in processing any Receipt shall be to process a correcting entry in the next regularly scheduled processing of the work after receipt of notification from Lender, Borrower, Manager or any third party of such error. Clearing Bank shall not be liable to Lender, Borrower, Manager or any third party if Lender, Borrower, Manager or any third party fails to give timely advice to Clearing

Bank of any error alleged to have been made by Clearing Bank in the processing of a Receipt. The foregoing shall not relieve Clearing Bank of any liability arising out of any failure to perform its duties in accordance herewith.

(b) Clearing Bank shall make every reasonable effort to deliver the amounts and items referred to in Paragraph 3 above by the mutually agreed upon time but does not guarantee a specific delivery time. Accordingly, Clearing Bank's sole responsibility to Lender or any third party with respect to the time of delivery of such amounts and items shall be to deliver such amounts and items as close to the mutually agreed upon time as may be reasonably practicable.

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7. Liens, Set-off. Clearing Bank and Borrower each acknowledges and agrees that the Clearing Account is subject to the sole dominion, control and discretion of Lender and Designee and neither Borrower nor Manager shall have any right to close such account or right of withdrawal or transfer with respect to such account except with the prior written consent of Lender. Borrower shall be entitled to request and receive any information about the Clearing Account that it shall reasonably request from time to time. Clearing Bank waives any lien, security interest or right to offset any claim against Borrower which it might have against any account maintained hereunder unless and until Borrower's obligations to Lender are satisfied in full with written confirmation of same by Lender; provided, however, that Clearing Bank retains the right to (a) charge the Clearing Account for any of Clearing Bank's Charges, fees and expenses provided for herein for which Borrower is responsible as provided in Paragraph 4 hereof and (b) charge the Clearing Account for all items deposited in and credited to the Clearing Account and subsequently returned unpaid or with respect to which Clearing Bank fails to receive final settlement. Nothing contained in this Agreement shall be deemed to prohibit Clearing Bank from complying with applicable law in the event it is served with any legal process with respect to the Clearing Account.

8. Matters Concerning Borrower and Manager.

(a) Borrower hereby pledges, transfers and assigns, and grants to Lender, as additional security for the payment and performance of the Note and the Obligations of Borrower, a first priority security interest in and to, and a general first lien upon, subject to Clearing Bank's right to set-off with respect to the Clearing Bank's fees and expenses as described in Paragraph 7 above, (i) the Clearing Account and all of Borrower's right, title and interest in and to all cash, property, instruments or rights transferred to or deposited in the Clearing Account from time to time by Borrower or on behalf of Borrower in accordance with the provisions of this Agreement and (ii) any and all proceeds of the foregoing. This Agreement and the pledge, assignment and grant of security interest made hereby shall secure payment of all amounts payable by Borrower to Lender under the Note and the other Obligations of Borrower. Borrower acknowledges and agrees that Clearing Bank is acting at the direction of, and as the agent of, Lender in connection with the subject matter of this Agreement. Borrower further agrees to execute, acknowledge, deliver, file or do at its sole cost and expense, all other acts, assignments, notices, agreements or other instruments as Lender may reasonably require in order to effectuate, assure, convey, secure, assign, transfer and convey unto Lender any of the rights granted by this section.

(b) Borrower shall provide Manager with a copy of this Agreement, as the same may be amended from time to time, and shall cause Manager to abide by all of the terms and provisions hereof applicable to Borrower and/or Manager.

9. Successors and Assigns; Assignments. This Agreement shall bind and inure to the benefit of and be enforceable by Clearing Bank, Borrower and Lender and their respective successors and permitted assigns. Lender shall have the right to assign or transfer its rights under this Agreement in connection with any assignment of the Loan and the Loan Documents. Any assignee or transferee of Lender shall be entitled to all the benefits afforded to Lender under this Agreement provided that such assignee or transferee thereof agrees in writing to be bound by the terms of this Agreement. Borrower shall not have the right to assign or transfer its rights or obligations under this Agreement without the

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prior written consent of Lender, and any attempted assignment without such consent shall be null and void. Clearing Bank shall have the right to assign or transfer its rights and obligations hereunder in connection with a merger, consolidation or sale of all or substantially all of the assets of Clearing Bank provided that the transferee thereof agrees in writing to be bound by the terms of this Agreement.

10. Amendment. This Agreement may be amended from time to time only by a written agreement executed by all of the parties hereto.

11. Notices. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "Notice") required, permitted, or desired to be given hereunder shall be in writing sent by telefax (with answer back acknowledged) or by registered or certified mail, postage prepaid, return

receipt requested, or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Paragraph 11. Any Notice shall be deemed to have been received three (3) days after the date such Notice is mailed or on the date of sending by telefax (if sender shall have confirmation thereof and a hard copy is also sent by mail) or delivery by hand if sent or delivered during business hours on a Business Day (otherwise on the next Business Day) or the next Business Day if sent by an overnight commercial courier addressed to the parties as follows:

If to Lender: Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Head of Portfolio Operations
Fax No.: (212) 479-5800

With a copy to: Eurohypo AG, New York Branch
1114 Avenue of the Americas
Twenty-Ninth Floor
New York, New York 10036
Attention: Legal Director
Fax No.: (212) 479-5800

With a copy to: Cadwalader, Wickersham & Taft LLP
100 Maiden Lane
New York, New York 100038
Attention: Michael G. Kavourias, Esq.
Facsimile No.: (212) 504-6666

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If to Borrower: Cedar-Franklin Village LLC
c/o Cedar Shopping Centers Partnership, L.P.
44 South Bayles Avenue
Suite 304
Port Washington, NY 11050
Attention:
Facsimile No.

With a copy to: Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038
Attn: Steven P. Moskowitz
Fax No.: (212) 806 6006

If to Clearing Bank: North Fork Bank
275 Broadhollow Road Melville, New York
Attention: Mario Caracappa
Facsimile No. (631) 844-9730

With a copy to: North Fork Bank
175 West 72nd Street
New York, New York
Attn: Paul Patella
Facsimile No. (212) 712-9565

12. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES. ANY ACTION ARISING OUT OF OR CONCERNING THIS AGREEMENT SHALL BE HEARD BY A JUDGE SITTING WITHOUT A JURY AND SHALL BE HEARD EXCLUSIVELY IN STATE COURT OF THE STATE OF NEW YORK. THE PARTIES HERETO SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE STATE COURT OF THE STATE OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING UNDER OR CONCERNING THIS AGREEMENT. REGARDLESS OF ANY PROVISION IN ANY OTHER AGREEMENT, FOR PURPOSES OF THE UCC (AS DEFINED IN THE LOAN AGREEMENT), CLEARING BANK AGREES THAT NEW YORK SHALL BE DEEMED TO BE CLEARING BANK'S JURISDICTION (WITHIN THE MEANING OF SECTION 9-304 OF THE UCC).

13. Certain Matters Affecting Clearing Bank.

(a) Clearing Bank may rely and shall be protected in acting or refraining from acting upon any written notice (including but not limited to electronically confirmed facsimiles of such notice) reasonably believed by it acting in good faith and in the exercise of reasonable judgment to be genuine and to have been signed or presented by the proper party or parties in the normal course of business.

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(b) The duties and obligations of Clearing Bank hereunder shall be determined solely by the express provisions of this Agreement. Clearing Bank shall not be liable except for the performance of its duties and obligations as

are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against Clearing Bank.

(c) Borrower and Lender agree that Clearing Bank shall not be liable for any damage or loss to them for any delay or failure of performance arising out of the acts or omissions of any third parties, including, but not limited to, various communication services, courier services, the Federal Reserve System, any other bank or any third party who may be affected by funds transactions, fire, mechanical, computer or electrical failures or other unforeseen contingencies, strikes or any similar or dissimilar cause beyond the reasonable control of Clearing Bank. In no event shall Clearing Bank be liable for lost profits or consequential, special, indirect, direct, or punitive damages even if Clearing Bank has been advised of the possibility of the foregoing.

(d) Borrower and its respective successors, assigns and legal representatives shall forever indemnify Clearing Bank and hold it entirely harmless from and against any and all claims, demands, losses, charges, expenses, legal fees, costs and liabilities of whatever kind or description, and lawsuits or legal proceedings, including, without limitation, fees and disbursements of legal counsel incurred by Clearing Bank in any action or proceeding between Borrower or Lender and Clearing Bank or between Clearing Bank and any third party or otherwise, without regard to the merit or lack of merit thereof, arising out of or related in any way to the matters set forth in, or the services to be provided pursuant to the terms of this Agreement.

(e) Notwithstanding anything to the contrary contained herein, Clearing Bank shall not be liable for any action taken or omitted by it in good faith except for Clearing Bank's willful misconduct or gross negligence. Clearing Bank may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it at the cost of Borrower. Clearing Bank shall not be liable for any act or omission done or omitted to be done by Clearing Bank in reliance upon any instruction, direction or certification from Lender or its Servicer received by Clearing Bank and without gross negligence, bad faith or willful or reckless misconduct of Clearing Bank. In the event that Clearing Bank shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to either (i) keep safely all property held in escrow or (ii) deposit same with Lender.

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IN WITNESS WHEREOF, the parties hereto have executed this Clearing Account Agreement in several counterparts (each of which shall be deemed an original) as from the date first above written.

BORROWER:

CEDAR-FRANKLIN VILLAGE LLC,
a Delaware limited liability company

By:

Name: Brenda J. Walker
Title: Vice President

LENDER:

EUROHYPO AG, NEW YORK BRANCH, the New York branch
of a German banking corporation

By:

Name:
Title:

By:

Name:
Title:

CLEARING BANK:
NORTH FORK BANK

By: _____
Name:
Title:

EXHIBIT A

Cash Management Bank And Lockbox Account

Cash Management Bank: PNC Bank National Association

Lockbox Account: ABA #: 021407912

Attn.: (____) _____

Fax: (____) _____

Account of: Cedar-Franklin Village LLC, as mortgagor,
for the benefit of Eurohypo AG, New York
Branch, as mortgagee

Account #: [_____]

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-3 for the registration of an aggregate maximum offering price of \$200,000,000 of common stock, preferred stock, shares of preferred stock represented by depositary shares, warrants, stock purchase contracts and units, No. 333-114710 and Form S-8 pertaining to the 1998 Stock Option Plan and the 2004 Stock Incentive Plan) of Cedar Shopping Centers, Inc. and in the related Prospectus of our report dated October 21, 2004 with respect to the Statement of Revenues and Certain Expenses of Franklin Village Plaza included in this Current Report Form 8-K.

/s/ Ernst & Young LLP

November 4, 2004

CEDAR SHOPPING CENTERS, INC.
44 SOUTH BAYLES AVENUE
PORT WASHINGTON, NEW YORK 11050

CONTACT: LEO S. ULLMAN
PRESIDENT
(516) 767-6492

FOR IMMEDIATE RELEASE:

CEDAR SHOPPING CENTERS, INC. - ANNOUNCES EXTENSION AND
MODIFIED TERMS FOR ITS SECURED CREDIT FACILITY

Port Washington, New York - November 3, 2004 - Cedar Shopping Centers, Inc., (NYSE: "CDR") (the "Company"), today announced that it had reached agreement with Bank of America, lead arranger for an existing credit facility to the in the amount of \$100 million, to amend the terms of that facility to include the following:

- o The interest rate margin will be reduced by 75 basis points, from a range of 225 to 275 basis points, to a range of 150 to 205 basis points above LIBOR, depending on the Company's leverage ratio.
- o The credit facility has also been amended to introduce an accordion feature pursuant to which the credit facility may be increased to \$200 million.
- o Certain covenants of the credit facility have been amended to accommodate the Company's development properties and to provide additional flexibility.
- o The maturity date of the credit facility is January 2007, subject to a one-year extension option.

The Company has borrowed approximately \$60.6 million from the credit facility as of the date hereof.

In addition to Bank of America as lead arranger, other members of the banking group for the syndicated facility include Fleet National Bank, Commerzbank AG New York, PB Capital Corporation, Manufacturers and Traders Trust Company, Sovereign Bank, Raymond James Bank, FSB and Citizens Bank.

Tom O'Keefe, the Company's Chief Financial Officer, in a statement released today stated "Our recent preferred stock offering, which provided nearly \$60 million of new equity, permitted us to approach our lenders for more favorable terms."

Leo Ullman, CEO of the Company, stated "Based on our recent additional equity raise, and the restructured credit facility, we now have substantial capital available to complete our redevelopment plan and to continue to seek attractive and accretive acquisitions."

Cedar Shopping Centers, Inc. is a self-managed real estate investment trust which owns and operates 29 primarily supermarket-anchored shopping centers with approximately 4.5 million square feet of gross leasable area located in Pennsylvania, New Jersey, Maryland, Massachusetts and Connecticut.

Forward-Looking Statements

Certain statements contained in this Press Release constitute forward-looking statements within the meaning of the securities laws. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general and specific economic and business conditions, which will, among other things, affect demand for rental space, the availability and creditworthiness of prospective tenants, lease rents and the availability of financing; adverse changes in the Company's real estate markets, including, among other things, competition with other companies; risks of real estate development and acquisition; risks of adverse operating results and creditworthiness of current tenants; governmental actions and initiatives; and environmental/safety requirements. Such forward-looking statements speak only as of the date hereof. The Company does not intend, and disclaims any duty or obligation, to update or revise any forward-looking statements set forth in this release to reflect any change in expectations, change in information, new information, future events or circumstances on which such information was based.