

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2001; Commission file number 0-14510

CEDAR INCOME FUND, LTD.
(Exact name of registrant as specified in its charter)

<TABLE>
<CAPTION>
<S>

Maryland	<C>	42-1241468
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)	

44 South Bayles Avenue, #304, Port Washington, NY	11050
(Address of principal executive offices)	(Zip Code)

</TABLE>
Registrant's telephone number, including area code: (516) 767-6492

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Name of each exchange on which registered
-----	-----
Common Stock, \$0.01 par value	The NASDAQ Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

Based on the closing sales price on March 18, 2002 of \$4.74 per share, the aggregate market value of the voting stock held by non-affiliates of the registrant was \$2,369,877.

The number of shares outstanding of the registrant's Common Stock \$.01 par value was 692,111 on March 18, 2002.

DOCUMENTS INCORPORATED BY REFERENCE: NONE

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Part I.

Item 1. Business

Cedar Income Fund, Ltd. (the "Company") was originally incorporated in Iowa on December 10, 1984 and qualified to operate as a real estate investment trust ("REIT"). Shortly thereafter, the Company's Common Stock was listed on the NASDAQ securities market. In June 1998, following a tender offer completed in April 1998, for the purchase of the Company's shares by Cedar Bay Company ("CBC"), the Company was reorganized as a Maryland corporation and included in an "umbrella partnership REIT" structure through the contribution of substantially all of its assets to a Delaware limited partnership (the "Operating Partnership"). (See Note 1 to the Consolidated Financial Statements). Following these transactions, the Company's assets consisted primarily of the controlling general partnership interest of the Operating Partnership and approximately 24% of the limited partnership interests ("Units") in the Operating Partnership.

The Company continues to operate as a REIT. To qualify as a REIT under applicable provisions of the Internal Revenue Code, the Company must have a significant percentage of its assets invested in, and income derived from, real estate and related sources. The Company's objectives are to provide to its shareholders a professionally managed, diversified portfolio of commercial (primarily shopping center) real estate investments which will provide the best available cash flow and present an opportunity for capital appreciation.

As the Company's principal assets consist of its general and limited partnership interests in the Operating Partnership, and as the Operating Partnership owns all the real property interests, including partial ownership interests, where applicable, the consolidated financial statements of the Company and of the Operating Partnership will evidence the assets, equity, net worth, income and losses attributable to their combined operations and financial position.

The Company as of December 31, 2001, had 692,111 shares outstanding; in addition, 1,703,300 Units of the Operating Partnership, convertible into shares of common stock of the Company on a one-to-one basis, were held as of December 31, 2001, by CBC, as sole limited partner. Currently, a Unit in the Operating Partnership and a share of common stock of the Company have essentially the same economic characteristics, as they effectively share equally in net income or loss and distributions of the Operating Partnership.

The Company's shares are traded on the NASDAQ (Small Cap) Market under the symbol "CEDR".

During the years 2000 and 2001, the Company sold three of the four original properties, acquired by the Company and held in each case for approximately 15 years, and reinvested the net proceeds, together with certain newly-borrowed funds, in certain supermarket-anchored shopping centers, as described below. This marked a change of focus away from the prior concentration in office and office/warehouse properties dispersed throughout the United States (Utah, Illinois, Kentucky and Florida) to retail properties, primarily supermarket-anchored shopping centers, in Pennsylvania and New Jersey.

The Company, through its Operating Partnership, as of the date of this filing owns and operates one office property of approximately 79,000 sq. ft., located in Jacksonville, Florida (which it has owned for nearly 15 years and for which a contract of sale is presently pending), three supermarket-anchored shopping center properties aggregating approximately 470,000 sq. ft. (two in Philadelphia, Pennsylvania and the third in Sewell, New Jersey) which the Company acquired in October 2001, and a 50% sole general partnership interest in a partnership owning a supermarket-anchored shopping center property of approximately 260,000 sq. ft. located in Harrisburg, Pennsylvania, which the Company acquired in July 2000.

The Operating Partnership has entered into agreements to purchase (i) an approximate 7 acre parcel of land in Fort Washington, Pennsylvania, on which it has agreed to build a 41,000 sq. ft. health club facility, net-leased pursuant to an executed lease agreement to L.A. Fitness International, L.L.C.; (ii) subject to mortgagee approval of the assumption of existing first mortgage financing, a 293,000 sq. ft. supermarket-anchored shopping center in north

central Pennsylvania; and (iii) subject to a fairness opinion, a 20% sole general partnership interest in a partnership owning a 220,000 sq. ft. shopping center in Philadelphia, Pennsylvania presently owned by an affiliate of CBC.

The Fort Washington development is expected to be financed with a third-party construction loan, which, upon completion of construction, will become a permanent loan, of \$5 million (the aggregate term of the loan including the construction period will be five years), third-party participating equity of \$1 million, approximately \$1.7 million from the tenant and approximately \$300,000 in equity contributions from the Company out of currently available cash. The supermarket-anchored center is expected to be acquired by assumption of existing third-party financing of approximately \$14 million, \$4 million from a third-party participating equity co-venturer, and \$1.4 million from the Company's currently available cash. The 20% sole general partnership interest will be purchased in four equal annual installments of approximately \$300,000-\$400,000 each, again from currently available cash.

Prior to the reorganization in 1998, the Company had gross assets of approximately \$15 million and a total of slightly less than 300,000 rentable sq. ft. of properties. As of December 31, 2001, and as a result of a total of the acquisitions described above, the Company had gross assets of approximately \$68.6 million and interests in properties of more than 800,000 rentable sq. ft. in the aggregate. As further described below, the Company has financed such acquisitions with considerable third-party financings secured by the properties.

The Company competes with other public and private real estate owners and developers for new acquisitions. Many of such other entities have greater available financial resources than the Company with which to conclude such acquisitions. The Company has relied, and expects to continue to rely, to a very considerable extent on third-party lenders and equity sources to fund most of the purchase price for new acquisitions.

The Company's properties also compete with other shopping centers (or office buildings in the case of Southpoint) for tenants within the same geographic marketplace. The Company's ability to attract new tenants and keep existing tenants may be affected by its ability to fund tenant improvements, to grant rent concessions, or to pay commissions for new tenants or current tenants seeking to expand or extend their tenancies. Also, the Company's capacity to pay for capital improvements to periodically upgrade/modernize the shopping centers (or office building) may affect its ability to attract and retain tenants.

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The Company has not been required to make any material capital expenditures for environmental compliance.

Neither the Company nor the Operating Partnership has any employees. Both are advised and administered (managed) by a separate management company with employees who conduct the various activities of the Company and the Operating Partnership, as further discussed below. The Company and the Operating Partnership are thus referred to generally as an "advised" REIT (and/or Operating Partnership) rather than a "self-administered" REIT (and/or Operating Partnership). Cedar Bay Realty Advisors, Inc., a New York corporation ("CBRA"), serves as investment advisor to the Company (and the Operating Partnership) pursuant to an Administrative and Advisory Agreement with the Company which generally provides for certain asset management fees and acquisition/disposition fees. Brentway Management LLC ("Brentway"), a New York limited liability company provides property management, leasing, construction management and loan placement services for the Company's (and the Operating Partnership's) properties pursuant to a Management Agreement with the Company on terms generally applicable in the industry. SKR Management Corp., a New York S corporation ("SKR") provides certain legal services to the Company through its in-house counsel and Secretary of the Company, Stuart H. Widowski. CBRA and SKR are wholly-owned by Leo S. Ullman. Brentway is owned by Leo S. Ullman and Brenda Walker. Leo S. Ullman is President and Chairman of the Board of the Company and of the corporate partners of CBC. Brenda Walker is Vice President and a Director of the Company and Vice President of the corporate partners of CBC. The terms of the Administrative and Advisory Agreement and Management Agreement are further discussed in Note 7 to the Consolidated Financial Statements and in Item 13.

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Item 2. Properties

Retail Properties

The Point Shopping Center
Harrisburg, Pennsylvania

In July 2000, the Operating Partnership purchased a 50% general partnership interest in The Point Associates, L.P., the partnership entity that owns The Point Shopping Center, Harrisburg, Pennsylvania ("The Point") for \$2,100,000 plus closing adjustments of approximately \$385,000, above then-existing first mortgage financing of approximately \$9.3 million.

The Operating Partnership has the right to acquire an additional 39% partnership interest from the limited partner at any time at a price equal to the fractional interest to be acquired, multiplied by ten times net operating income, less the outstanding first mortgage debt. The limited partner is prohibited from selling its remaining interest in The Point Associates, L.P. without first offering to sell such interest to the Operating Partnership based upon the aforementioned formula.

The Point Shopping Center has been redeveloped during the past two years into approximately 260,000 sq. ft. of retail space as the result of the construction of a new Giant supermarket of approximately 55,000 sq. ft. The Giant supermarket lease required, among other things, construction of the new Giant premises, demolition and reconstruction of certain then-existing portions of the shopping center, relocation of certain then-existing tenants, new stores for certain new tenants, installation of a new traffic signal, development of a new pad site for a bank, reconfiguration/installation of new drainage systems, and repaving of the parking lot. Except for interior tenant finishes, redevelopment of The Point is substantially complete at this time.

As of December 31, 2001, the first mortgage loan balance on The Point was \$17.9 million. New first mortgage financing is expected to be concluded for The Point during the second quarter of 2002 in a maximum amount of \$20.75 million with a holdback of \$1 million pending lease-up of an additional 22,600 sq. ft. of rentable space of the center (consisting of an expanded former drug store space) at a minimum annual rental of \$316,400 with the tenant in place and paying rent within two years of the effective date of the new loan. Net proceeds of such refinancing will be used primarily to retire existing debt on The Point.

As of December 31, 2001, The Point represented approximately 31% of the Operating Partnership's total assets, and approximately 45% of its revenues. Also as of that date, the property was 92% leased to 16 tenants with terms ranging from 9 months to 20 years (not including renewal options) and annual base rents ranging from \$4.50 to \$24.00 per sq. ft..

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Academy Plaza and Port Richmond Village, Philadelphia, Pennsylvania
Washington Center Shoppes and 304 Greentree Road, Sewell, New Jersey

In October 2001, the Operating Partnership purchased three supermarket-anchored shopping center properties and a certain land parcel for an aggregate purchase price of \$35,034,353 plus closing costs, adjustments, and reserves of approximately \$2.8 million.

The properties purchased at that time are the following:

- o Academy Plaza, Philadelphia, Pennsylvania - a 154,836 sq. ft. community shopping center anchored by a 50,000 sq. ft. Acme supermarket, at a contract purchase price of \$11,607,515; subject to then-outstanding first mortgage financing of approximately \$10,715,000;
- o Port Richmond Village, Philadelphia, Pennsylvania - a 156,471 sq. ft. community shopping center anchored by a 40,000 sq. ft. Thriftway supermarket, at a contract purchase price of \$14,216,502; subject to then-outstanding first mortgage financing of approximately \$11,610,000;
- o Washington Center Shoppes, Sewell, New Jersey - a 157,146 sq. ft. community shopping center anchored by a 66,046 sq. ft. Acme supermarket, at a contract purchase price of \$8,960,336; subject to then-outstanding first mortgage financing of approximately \$5,986,000; and
- o 304 Greentree Road, Sewell, New Jersey - a development parcel of approximately 34,500 sq. ft., adjacent to the Washington Center Shoppes, at a contract purchase price of \$250,000 (unencumbered).

The balance of the purchase price for the properties above the respective first mortgage balances was funded primarily with approximately \$3,365,000 of the net proceeds of the sale of the Broadbent Business Center in Salt Lake City, Utah completed on May 22, 2001, and financing in the amount of \$6 million made available by SWH Funding Corp. of Hackensack, New Jersey ("SWH"). Such financing is secured, among other things, by a first mortgage on Southpoint Parkway Center, Jacksonville, Florida ("Southpoint") (see discussion below). The Southpoint property was unencumbered immediately prior to such financing. Approximately \$150,000 of additional monies required at closing were funded from available cash.

A wholly-owned subsidiary of SWH and the Operating Partnership have together formed Cedar Center Holdings L.L.C. 3, which, in turn, is the sole member of each of the four limited liability companies which own, indirectly through other limited liability companies, the three shopping center properties and development parcel acquired by the Operating Partnership in October 2001. SWH has no interest in profits or assets of Cedar Center Holdings L.L.C. 3; however, SWH has the right to acquire operating control of the above mentioned three shopping center properties in the event of a default by the Operating Partnership or its affiliates of certain terms of the SWH financing.

As additional security for the SWH financing, the Operating Partnership has pledged to SWH its rights to distributions from the entity which controls

the limited liability companies which own each of the three shopping center properties. Under the pledge, SWH has no rights to such distributions unless and until an event of default occurs.

As a result of the SWH financing and the related mandatory payments discussed below, Southpoint, a 79,000 sq. ft. office property in Jacksonville, Florida has been actively marketed for sale and was classified as "real estate held for sale" effective October 9, 2001. A contract for the sale of Southpoint to an unrelated party for \$4.7 million is pending as of the date of this filing.

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The SWH financing arrangements involve a term of three years, maturing November 1, 2004, with a right to extend for two additional eighteen-month periods upon payment of certain fees, and subject to certain additional minimum monthly and annual or "back-end" payments, and to certain additional participations in gain in value payable at the earliest of the repayment date, maturity or the date of sale of the three shopping center properties described above.

Payments to SWH pursuant to the financing arrangements are at a rate of 12.5% per annum on the outstanding balance. In addition, an "equity fee" in an amount equal to the greater of \$350,000 or 10% of the gain in value of the properties as determined by appraisal is payable at maturity. Further, SWH shall be entitled to "exit fees" of \$120,000 if the entire principal is paid prior to October 2002; thereafter, additional amounts accrue at 1/3% per month during the period October 2002 - November 2004; 1/2% per month during the extension period from November 2004 - November 2005; and 2/3% per month during the extension periods from November 2005 - November 2007. A loan fee of \$225,000 was paid to SWH at closing.

Amortization payments of \$10,000 are required during each of the first three months, \$20,000 for each of the 4th through 6th months, \$35,000 for each of the 7th through the 12th months, \$45,833.33 for the 13th through the 24th months, and \$41,666.67 for the 25th through the 36th months. Those payments, as and when required, are expected to be made out of cash flow. In addition there is a mandatory payment of \$4.5 million due on or prior to the 12th month, November 2002. An additional mandatory payment of \$300,000 is required on or prior to the 18th month, May 2003. The payments are expected to be met largely from a combination of (i) net proceeds from the currently-pending sale of Southpoint as further discussed below, (ii) \$2.8 million of cash and cash equivalents presently on hand, (iii) drawdowns on a \$1 million line of credit, (iv) net proceeds of sales of partial interests in one or more of the Company's other properties and (v) net proceeds of the pending refinancing of The Point's mortgage loan.

The obligations of the Operating Partnership under the SWH financing agreement are guaranteed by the Company.

As of December 31, 2001, Academy Plaza represented approximately 19% of the Operating Partnership's total assets, and approximately 10% of its revenues. Also as of that date, the property was 95% leased to 35 tenants with terms ranging from month-to-month to 16 years (not including renewal options) and annual base rents ranging from \$1.25 to \$35 per sq. ft.

As of December 31, 2001, Port Richmond Village represented approximately 24% of the Operating Partnership's total assets, and approximately 11% of its revenues. Also as of that date, the property was 88% leased to 29 tenants with terms ranging from month-to-month to 7 years (not including renewal options) and annual base rents ranging from \$3.28 to \$25.00 per sq. ft.

As of December 31, 2001, Washington Center represented approximately 15% of the Operating Partnership's total assets, and approximately 8% of its revenues. Also as of that date, the property was 95% leased to 28 tenants with terms ranging from month-to-month to 18 years (not including renewal options) and annual base rents ranging from \$1.95 to \$17.53 per sq. ft.

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Office Property

Southpoint Parkway Center
Jacksonville, Florida

The Southpoint property was purchased in May 1986 for \$6,505,495 in cash. Capital expenditures made since the purchase date have increased the property's recorded cost to \$8,371,700. Southpoint is a single-story office service center consisting of approximately 79,010 sq. ft. of net leaseable area on approximately 11.73 acres which includes 467 parking spaces. Southpoint represented approximately 8% of the Company's total assets at December 31, 2001, and provided approximately 21% of its revenue.

At December 31, 2001, Southpoint was 86% leased to nine tenants with remaining terms ranging from one month to five years (not including renewal options) and annual base rents ranging from \$11.00 to \$18.46 per sq. ft.

A contract of sale for Southpoint in the amount of \$4.7 million, entered into as of February 1, 2002, is presently pending. The deposit on the contract became non-refundable as of March 20, 2002. The sale is expected to be completed during the second quarter of 2002. Net proceeds of the sale are expected to be approximately \$4,400,000, after credits to purchaser for certain tenant and capital improvements in the aggregate amount of approximately \$25,000, and after deduction of sales costs of \$273,000, including estimated commissions of \$169,000, legal fees of \$10,000 and a disposition fee payable to CBRA in the amount of \$47,000.

SWH has agreed to accept payment of the net proceeds from the pending sale of Southpoint, in lieu of the mandatory payment of \$4,500,000 otherwise payable on or before the twelfth loan month, in reduction of the then-outstanding principal balance of its loan pursuant to the terms of its loan agreement, as generally described above. The remaining balance of amounts otherwise payable to SWH will remain payable pursuant to the financing agreement in accordance with its terms as generally described above.

Properties Sold in 2001

Broadbent Business Center
Salt Lake City, Utah

On May 22, 2001, the Operating Partnership sold its interest in the Broadbent Business Center, Salt Lake City, Utah ("Broadbent") for \$5.3 million. The Operating Partnership incurred closing expenses of approximately \$500,000, including a broker's commission of \$250,000, a "Rent Guarantee Deposit" of \$100,000, a disposition fee of \$53,000 and legal and other closing adjustments of approximately \$100,000.

The net cost basis of Broadbent on the books of the Operating Partnership as of the closing date was \$3,210,723, resulting in a gain of approximately \$1.6 million during the quarter ended June 30, 2001.

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Corporate Center East
Bloomington, Illinois

On June 28, 2001, the Operating Partnership sold its interest in Corporate Center East, Bloomington, Illinois ("Corporate Center") for \$1.86 million. The Operating Partnership incurred closing expenses of approximately \$86,000, including a broker's commission of \$55,800 and legal and other closing adjustments of approximately \$30,000. The net sales proceeds received by the Operating Partnership, after the aforementioned closing costs, and property taxes of approximately \$51,000, were approximately \$1.72 million.

The net cost basis of Corporate Center on the books of the Operating Partnership as of the closing date was approximately \$2,000,000, net of an impairment reserve of \$203,979 recorded during the year ended December 31, 2000. The net sales price, after closing costs and the write-off of deferred leasing costs and prepaid expense of approximately \$81,000, was \$1,692,087 resulting in a loss of approximately \$300,000 during the quarter ended June 30, 2001.

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Summary of Properties Presently Owned

Properties owned as of December 31, 2001 by the Company through the Operating Partnership are summarized in the table below.

<TABLE>
<CAPTION>

Name and Location	Size (Sq. Ft)	Occupancy at 12/31/01	Lease Expiration	2001 Revenue	
				Amount	Percent
-	-	-	-	-	-
<S> Southpoint Parkway Center Jacksonville, Florida	<C> 79,010	<C> 86%	<C> 2002-2006	<C> \$1,025,290	<C> 21%
The Point Shopping Center Harrisburg, Pennsylvania	260,000	92%	2002-2013	2,066,314	45%
Port Richmond Village Philadelphia, Pennsylvania	156,471	88%	2002-2009	527,804	11%
Academy Plaza Philadelphia, Pennsylvania	154,836	95%	2002-2018	459,130	10%
Washington Center Shoppes Washington Township, NJ (1)	157,146	95%	2002-2020	373,577	8%

- - - - -

 Totals 807,463 \$4,452,115 92%

(2) (3)
 </TABLE>

- (1) Includes an adjacent development parcel of approximately 34,500 sq. ft.
- (2) Broadbent Business Center was sold on May 22, 2001, and accounted for approximately 5% of total revenue in 2001.
- (3) Corporate Center East was sold on June 28, 2001, and accounted for approximately 2% of total revenue in 2001.

Item 3. Legal Proceedings

The Company is not a party to any pending legal proceeding which, in the opinion of management, is material to the Company's financial position.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Part II.

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Dividend Information

The Company is required to distribute at least 90% of its "REIT taxable income", as defined in the Internal Revenue Code, to continue qualification as a real estate investment trust. The Company paid no dividends in 2001.

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The SWH financing arrangement restricts the Company's ability to make distributions from the three supermarket-anchored shopping centers to the Operating Partnership. The effect of such restriction, during the period the SWH financing remains outstanding, is to limit the Company's ability to pay dividends/distributions to shareholders/Unit holders during such period.

Where applicable, a Form 1099 is mailed to shareholders at the end of each year reflecting the dividends paid by the Company in that year. The percentages indicated below, multiplied by the amount of dividends paid for that year, result in the amount to be reported for income tax purposes.

Dividend Character	2001	2000	1999
----- Ordinary income	0%	28.07%	43.57%
Non-taxable return of capital	0%	71.93%	56.43%
Total	0%	100%	100%
Dividends paid, per share	\$0	\$0.30	\$0.40

Market Information

The Company had 692,111 shares of Common Stock outstanding to 505 shareholders of record at December 31, 2001. The Company's shares trade on the NASDAQ under the symbol "CEDR".

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The following table sets forth the high and low bid prices and closing prices for each quarter for the Company's last two fiscal years. Prices for shares of the Company reflect quotations between dealers without adjustment for retail mark-ups, mark-downs or commissions and do not necessarily represent actual transactions.

Market Price Range

Quarter Ended	Over-the-Counter Bid Prices		
	High	Low	Close
----- 2001			
March 31	3.31	3.31	3.31
June 30	3.50	3.45	3.50
September 30	7.94	4.60	6.50
December 31	4.25	4.25	4.25

2000			
March 31	6.19	6.13	6.19
June 30	4.00	4.00	4.00
September 30	4.50	3.75	5.00
December 31	2.75	2.75	2.75

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Item 6. Selected Financial Data

		Years ended December 31,			
		2001	2000	1999	
1998	1997				

<S>		<C>	<C>	<C>	<C>
<C>					
REVENUE					
Rents		\$ 4,816,868	\$ 3,036,943	\$ 2,413,958	\$
2,505,372	\$ 2,386,549				
Other		-	-	75,000	
-	-				
Interest		281,897	178,838	26,329	
59,653	81,309				

Total Revenue		5,098,765	3,215,781	2,515,287	
2,565,025	2,467,858				

EXPENSES					
Property expenses:					
Payroll		71,065	23,966	-	
-	-				
Real estate taxes		494,348	308,386	258,597	
262,761	233,160				
Repairs and maintenance		435,093	247,896	273,253	
252,320	385,806				
Utilities		250,828	235,740	167,886	
163,279	159,762				
Management fee		186,283	127,826	124,358	
126,520	130,084				
Insurance		63,271	36,385	21,764	
18,336	19,270				
Other		234,162	182,390	124,883	
73,737	92,396				

Property expenses, excluding depreciation		1,735,050	1,162,589	970,741	896,953
1,020,478					
Depreciation		697,234	520,934	492,716	
480,410	462,687				
Amortization		294,100	100,575	-	
-	-				

Total property expenses		2,726,384	1,784,098	1,463,457	
1,377,363	1,483,165				
Interest		1,887,837	604,182	127,700	
130,197	136,137				
Administrative fees		163,404	97,872	102,397	
99,180	101,192				
Directors' fees, Directors' and Officers' insurance, and expenses		99,170	82,636	97,872	
100,703	49,417				
Other administrative		318,863	344,661	343,901	
587,684	197,851				

Total Expenses		5,195,658	2,913,449	2,135,327	
2,295,127	1,967,762				

Net (loss) income before minority interest, limited partnership's interest, loss on impairment, and gain (loss) on sales		(96,893)	302,332	379,960	
269,898	500,096				

Minority interest		(44,129)	7,669	-	
-	-				

Limited partner's interest (89,950)	74,586	(191,615)	(315,490)	
Loss on impairment	(1,341,759)	(203,979)	-	
Gain on sale	1,638,416	91,012	-	
Loss on sale	(295,610)	-	-	

Net income before cumulative effect adjustment	(65,389)	5,419	64,470	
179,948 500,096				
Cumulative effect of change in accounting principles, net of limited partner's share of (\$14,723)	(6,014)	-	-	

Net (loss) income before extraordinary items	(71,403)	5,419	64,470	
179,948 500,096				
Extraordinary items				
Early extinguishment of debt (net of limited partner's share of \$187,834)	(76,312)	-	-	
Early extinguishment of debt (net of limited partner's share of \$32,073)	-	(17,502)	-	

Net income (loss)	\$ (147,715)	\$ (12,083)	\$ 64,470	\$
179,948 \$ 500,096				
=====				
Net (loss) earnings per share before cumulative effect adjustment and extraordinary items	\$ (0.09)	\$ 0.01	\$ 0.11	\$
0.13 \$ 0.22				
Cumulative change in accounting principles	(0.01)	-	-	

Net (loss) earnings per share before extraordinary items	(0.10)	0.01	0.11	
0.13 0.22				
Extraordinary loss per share	(0.11)	(0.02)	-	

Net (loss) earnings per share	\$ (0.21)	\$ (0.01)	\$ 0.11	\$
0.13 \$ 0.22				
=====				
Dividends to shareholders	\$ -	\$ 267,951	\$ 256,990	\$
557,504 \$ 896,164				
Dividends to shareholders per share	\$ -	\$ 0.31	\$ 0.43	\$
0.40 \$ 0.40				
Average number of shares outstanding	692,111	869,481	593,618	
1,393,761 2,245,411				

</TABLE>

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Item 6. Selected Financial Data (continued)

Balance Sheet Data 1997	Years Ended December 31,			
	2001	2000	1999	1998
Real estate before accumulated depreciation \$18,762,887	\$57,621,984	\$28,271,530	\$19,186,022	\$18,903,767
Real estate after accumulated depreciation \$14,545,188	\$56,947,728	\$24,094,923	\$13,995,197	\$14,205,658
Real estate held for sale \$0	\$4,401,800	\$1,850,000	\$0	\$0
Total assets \$15,941,683	\$68,348,390	\$35,567,317	\$16,692,560	\$15,323,315

Mortgage loans and loan payable	\$52,109,760	\$19,415,644	\$1,346,750	\$1,374,751
\$1,400,259				
Minority interest	\$2,235,239	\$2,291,210	\$0	\$0
\$0				
Limited partner's interest in consolidated Operating Partnership	\$8,964,366	\$9,241,509	\$9,560,913	\$10,309,316
\$ -				
Shareholders' equity	\$3,667,186	\$3,814,901	\$5,242,935	\$3,289,520
\$14,227,102				
Other Data				
Funds from operations for the Operating Partnership (1)	\$507,273	\$823,266	\$872,676	\$750,308
\$ -				
Funds from operations for the Company (1)	\$121,598	\$197,434	\$196,276	\$477,324
\$962,873				
Total properties - square feet	807,463	483,710	297,977	297,977
297,977				
Total properties - percent leased	92%	83%	92%	95%
98%				

</TABLE>

(1) See "Management's Discussion and Analysis" for discussion of funds from operations.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the historical financial statements of the Company and related notes.

The Company considers certain statements set forth herein to be forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the Company's expectations for future periods. Certain forward looking statements, including, without limitation, statements related to the timing and success of acquisitions and the completion of development or redevelopment of properties, the financing of the Company's operations, the ability to lease vacant space and the ability to renew or relet space under expiring leases, involve certain risks and uncertainties. Although the Company believes that the expectations reflected in such forward looking statements are based on reasonable assumptions, the actual results may differ materially from those set forth in the forward looking statements and the Company can give no assurance that its expectations will be achieved. Certain factors that might cause the results of the Company to differ materially from those indicated by such forward looking statements include, among other factors, general economic conditions, general real estate industry risks, tenant default and bankruptcies, loss of major tenants, the impact of competition and acquisition, redevelopment and development risks including delays in completion and cost overruns, the ability to finance business opportunities, increase in interest rates and local real estate markets. Consequently, such forward-looking statements should be regarded solely as reflections of the Company's current operating and development plans and estimates. These plans and estimates are subject to revisions from time to time as additional information becomes available, and actual results may differ from those indicated in the referenced statement.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions in certain circumstances that affect amounts reported in the Company's consolidated financial statements and related notes. In preparing these financial statements, management has utilized information available including its past history, industry standards and the current economic environment among other factors in forming its estimates and judgments of certain amounts included in the consolidated financial statements, giving due consideration to materiality. It is possible that the ultimate outcome as anticipated by management in formulating its estimates inherent in these financial statements might not materialize. However, application of the critical accounting policies below involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. In addition, other companies may utilize different estimates, which may impact comparability of the Company's results of operations to those of similar businesses.

Consolidation Policy

The accompanying consolidated financial statements include the consolidated financial position of the Company and the Operating Partnership as

of December 31, 2001. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company owns an approximate 29% partnership interest as sole general partner in the Operating Partnership, which provides the Company with control over all significant activities of the Operating Partnership. As per the Agreement of Limited Partnership of Cedar Income Fund Partnership, L.P. dated June 1998, the general partner has exclusive control over the business affairs of the Operating Partnership, including, without limitation, the following: (1) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of or any other contracting of indebtedness and other liabilities; (2) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental agencies; (3) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any assets; (4) the negotiation, execution and performance of any contracts, leases, conveyances or other instruments; (5) the appointment of a manager or advisor to manage the business of the Operating Partnership; (6) the maintenance of insurance; (7) the formation of, or acquisition of an interest in, and the contribution of property to, any further limited or general partnerships, joint ventures or other relationships that it deems desirable; (8) the control of all matters affecting the rights and obligations of the Operating Partnership; and (9) the general partner may not be removed by the limited partners, with or without cause, except with the consent of the general partner.

Based on the above nine items noted from the Limited Partnership Agreement and the fact that the limited partners have no significant rights, the Company has control over the Operating Partnership based on its general partnership interest, and, accordingly, the Operating Partnership is consolidated with the Company in the accompanying financial statements as of December 31, 2001. The Operating Partnership in turn owns a 50% general partnership interest in The Point Associates, L.P. which entity is also included in the consolidated financial statements of the Company.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Revenue Recognition and Accounts Receivable

Rental revenue is recognized on a straight-line basis, which averages minimum rents over the terms of the leases. The excess of rents recognized over amounts contractually due are included in deferred rents receivable on the Company's balance sheets. The leases also typically provide for tenant reimbursements of common area maintenance and other operating expenses and real estate taxes. Ancillary and other property related income is recognized in the period earned.

The Company makes estimates of the collectibility of its accounts receivable related to base rent, tenant escalations and reimbursements and other revenue or income. The Company specifically analyzes tenant receivables and analyzes historical bad debts, customer credit worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of its allowance for doubtful accounts. In addition, when tenants are in bankruptcy, the Company makes estimates of the expected recovery of pre-petition administrative and damage claims. In some cases, the ultimate resolution of those claims may extend beyond a year. Such estimates may have a direct impact on the Company's net income, as a greater bad debt reserve will result in less net income.

Sales of real estate are recorded when title is conveyed to the buyer, subject to the buyer's financial commitment being sufficient to provide economic substance to the sale.

Real Estate

Land, buildings and improvements, furniture, fixtures and equipment are recorded at cost. Tenant improvements, which are included in buildings and improvements, are also stated at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and/or replacements, which improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives.

Depreciation is computed utilizing the straight-line method over the estimated useful life of ten to forty years for buildings and improvements, and five to ten years for furniture, fixtures and equipment. Tenant improvements are amortized on a straight-line basis over the term of the related leases.

The Company is required to make subjective assessments as to the useful lives of its properties for purpose of determining the amounts of depreciation to be reflected on an annual basis with respect to those properties. These assessments have a direct impact on the Company's net income. Should the Company lengthen the expected useful life of a particular asset, it would be depreciated over more years, and result in less depreciation expense and higher annual net

income.

Assessments by the Company of certain other lease-related costs as well as any recorded straight-line rent receivable must be made when the Company has a reason to believe that the tenant will not be able to perform under the terms of the lease as originally expected.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Impairment of Long-Lived Assets

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is impaired only if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. Such cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property.

The Company is required to make subjective assessments as to whether there are impairments in the value of its real estate properties and other investments. Any assessment resulting in a determination of impairment will have a direct negative impact on the Company's net income.

Overview and Background

The Company is an advised REIT specializing in the acquisition, leasing, financing, management and development of retail properties. The Company's growth strategy is focused on the real estate markets in Pennsylvania and New Jersey.

The Company owns all of its interests in real property, directly or indirectly, through the Operating Partnership. As of December 31, 2001 the Company owns and operates four retail properties (three located in Pennsylvania and one, with an adjacent separate development parcel, in southern New Jersey) and one office property located in Jacksonville, Florida. As of December 31, 2001, the lease occupancy of the Company's one office property was approximately 86%. The four retail properties have combined lease occupancy of approximately 92% as of December 31, 2001.

In July 2000 the Company acquired a 50% general partnership interest in The Point Associates L.P., the partnership entity that owns The Point, for \$2.1 million at closing above the then-existing first mortgage financing of approximately \$9.3 million plus closing costs of approximately \$385,000. The Point has been redeveloped during the past two years into approximately 260,000 sq. ft. of retail space, based primarily upon construction of a new 55,000 sq. ft. Giant supermarket. The lease for the Giant supermarket required, among other things, construction of the new premises, demolition and reconstruction of certain then-existing portions of the shopping center, relocation of certain then-existing tenants, new stores for certain new tenants and reconfiguration and repaving of the parking lot. Except for certain interior tenant finishes the redevelopment of The Point has been substantially completed.

On May 22, 2001, the Company sold its interest in Broadbent for \$5.3 million. The Company incurred closing expenses of approximately \$500,000, including a broker's commission of \$250,000.

On June 28, 2001, the Company sold its interest in Corporate Center for \$1.86 million. The Company incurred closing expenses of approximately \$86,000, including a broker's commission of \$55,800.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

In October 2001, the Company purchased three shopping center properties and a certain parcel of land for an aggregate purchase price of approximately \$35 million, plus closing costs, adjustments and reserves of approximately \$2.8 million. The properties are: (i) Academy Plaza a 155,000 sq. ft. community shopping center anchored by a 50,000 sq. ft. Acme supermarket, (ii) Port Richmond Village a 156,000 sq. ft. community shopping center anchored by a 40,000 sq. ft. Thriftway Supermarket, (iii) Washington Center Shoppes a 157,000 sq. ft. community shopping center anchored by a 66,000 sq. ft. Acme Supermarket, and (iv) a development parcel of approximately 34,500 sq. ft. adjacent to Washington Center Shoppes.

In connection with the October 2001 acquisition of three shopping centers and the land parcel, the Company assumed approximately \$28.3 million in

first mortgages on the three shopping center properties. The balance of the purchase price for the properties was funded primarily with the approximately \$3.36 million of net proceeds from the sale of the Broadbent property completed on May 22, 2001 and from net proceeds of certain financing in the amount of \$6 million made available by SWH, secured, among other things, by a first mortgage on the Southpoint property, which was unencumbered immediately prior to such financing.

Results of Operations

The Company's total revenues increased by \$1.88 million, or 58.6%, from 2000 to 2001 and \$700,000 or 27.8% from 1999 to 2000. Property operating revenues, which include base rents and tenant escalations and reimbursements ("Property Operating Revenues") increased by \$1.78 million, or 58.6%, from 2000 to 2001 and \$623,000, or 25.8%, from 1999 to 2000. The increase in 2000 of Property Operating Revenues is substantially attributable to the acquisition of The Point on July 1, 2000. The increase in 2001 of Property Operating Revenues is substantially attributable to a full year of operations of The Point and the acquisition of the three supermarket-anchored shopping center properties in October of 2001, offset by the sales of the Broadbent property (May 22, 2001) and the Corporate Center property (June 28, 2001).

Property operating expenses and real estate taxes ("Property Expenses") increased by \$572,000 or 49.2% from 2000 to 2001 and \$192,000 or 19.8% from 1999 to 2000. The increase in 2000 Property Expenses is substantially attributable to the acquisition of The Point on July 1, 2000. The increase in 2001 of Property Expenses is substantially attributable to a full year of operations of The Point and the acquisition of the three supermarket-anchored shopping center properties in October of 2001, offset by the sales of Broadbent (May 22, 2001) and Corporate Center (June 28, 2001).

Interest expense was \$1.89 million in 2001, \$604,000 in 2000 and \$128,000 in 1999. The increase in 2000 is substantially due to the acquisition of The Point on July 1, 2000, with the assumption of a \$9.3 million mortgage payable and the use of a \$1.55 million line of credit. The increase in 2001 is primarily due to the full year of activity of The Point mortgage payable and the acquisition of the three supermarket-anchored shopping center properties in October 2001, with the assumption of \$28.3 million mortgages payable and \$6 million of financing from SWH.

Extraordinary losses, net of the limited partner's share, were \$76,000 in 2001 and, \$17,500 in 2000; there were no extraordinary losses in 1999. The extraordinary losses were all attributable to the write-off of certain deferred mortgage costs, incurred in connection with the Company's prepayment of lines of credit in 2001 and 2000.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Summary of Cash Flows

The Company's rental revenues for 2001 were \$4,816,868. The rental revenues for 2002 are expected to increase by approximately \$3,700,000, to approximately \$8,500,000, reflecting twelve months of ownership of the three shopping centers acquired in October 2001, the anticipated sale of Southpoint Parkway Center and estimates for leasing current and expected vacancies during the year. As a result, vacancy at the end of 2002 is expected to increase from 58,439 sq. ft. to approximately 63,800 sq. ft. The leasing time-table, between getting a lease signed, building-out the space and the tenant taking possession, varies depending on the market in the geographic location of the property as well as the nature of the tenant's business. Management estimates that the Company will incur approximately \$890,000 in tenant improvement and leasing costs to lease-up vacancies during 2002. Such amounts have been included in the respective properties' 2002 operating budgets.

The operating expenses of the five properties owned by the Company through its Operating Partnership are paid from the respective properties' rental revenues. Management has prepared 2002 operating budgets for each of the five properties and the aggregate revenues more than cover the operating expenses, first mortgage debt service, tenant improvements and commissions.

Net cash provided by operating activities totaled \$787,000 in 2001, \$955,000 in 2000 and \$1.1 million in 1999. The decrease from year to year is predominantly due to the sales of two properties in 2001 and the acquisition of four new properties over the past two years.

Net cash used in investing activities totaled \$2.2 million in 2001, \$8.3 million in 2000 and \$282,000 in 1999. The differences from year to year are predominantly due to the acquisition of The Point in 2000 and the three shopping centers in 2001.

Net cash provided by financing activities totaled \$3.4 million in 2001,

\$6 million in 2000 and \$797,000 in 1999. The differences from year to year are predominantly due to the acquisition of The Point in 2000 and the three shopping centers in 2001.

Liquidity and Capital Resources

Real estate before deduction for accumulated depreciation equals \$24.06 per share/OP Unit based on shares/OP Units outstanding as of December 31, 2001. Real Estate at cost, less accumulated deductions for depreciation equals \$23.77 per share/OP Unit on shares/OP Units outstanding as of December 31, 2001.

Historically, rental revenue has been the principal source of funds to pay operating expenses, debt service and capital expenditures, excluding non-recurring capital expenditures of the Company.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The Operating Partnership has entered into agreements to purchase (i) an approximate 7 acre parcel of land in Fort Washington, Pennsylvania, on which it has agreed to build a 41,000 sq. ft. health club facility, net-leased pursuant to an executed lease agreement to L.A. Fitness International, L.L.C.; (ii) subject to mortgagee approval of the assumption of existing first mortgage financing, a 293,000 sq. ft. supermarket-anchored shopping center in north central Pennsylvania; and (iii) subject to a fairness opinion, a 20% sole general partnership interest in a partnership owning a 220,000 sq. ft. shopping center in Philadelphia, Pennsylvania presently owned by an affiliate of CBC.

The Fort Washington development is expected to be financed with a third-party construction loan, which, upon completion of construction, will become a permanent loan, of \$5 million (the aggregate term of the loan including the construction period will be five years), third-party participating equity of \$1 million, approximately \$1.7 million from the tenant and approximately \$300,000 in equity contributions from the Company out of currently available cash. The supermarket-anchored center is expected to be acquired by assumption of existing third-party financing of approximately \$14 million, \$4 million from a third-party participating equity co-venturer, and \$1.4 million from the Company's currently available cash. The 20% sole general partnership interest will be purchased in four equal annual installments of approximately \$300,000-\$400,000 each, again from currently available cash.

The Company's indebtedness at December 31, 2001 was approximately \$52.1 million, including \$6 million in financing payable to SWH. The SWH financing requires a \$4.5 million payment to be made as of November, 2002, among other required payments.

The Company expects to fund the two mandatory payments due with respect to the SWH financing (\$4,500,000 and \$300,000 due by November 2002 and May 2003, respectively) from a combination of (i) net proceeds of the currently-pending sale of the Southpoint property, (ii) \$2.8 million in cash and cash equivalents presently on hand, (iii) drawdowns on a \$1 million line of credit (iv) net proceeds of sales of partial interests in one or more of the Company's other properties and (v) net proceeds of the pending refinancing of The Point's mortgage loan.

The Operating Partnership obtained a line of credit, effective March 4, 2002, in the amount of \$1,000,000 from North Fork Bank, Melville, New York. The term of the loan is for one (1) year with a maturity date of March 4, 2003. The loan, at the sole discretion of the bank, may be used for (i) real estate investment, (ii) real estate management, (iii) working capital and (iv) other purposes as applicable and as approved by the bank. The interest rate is the greater of 6% or the bank's prime rate plus 1%. Interest on the outstanding loan balance is to be paid to the bank monthly in arrears. The line of credit's availability is subject to certain conditions, including, but not limited to, quarterly submission of 10-Q filings, annual submission of 10K filings and a 30-day annual "clean up" (i.e. the outstanding balance of drawdowns under the line of credit must be reduced to zero for 30 days). The line of credit does not require any fees to be paid by the Company or the Operating Partnership. The Company views the availability of this line of credit to be sound business practice and an augment to its liquidity.

The Company expects that capital markets in the United States will continue to be active and will provide funds for the refinancing of its four (retail) properties' first mortgages as such mortgages mature over the next 5 months to 11 years. With the exception of the Point's mortgage, all such mortgages are amortizing loans. The balances due at maturity, and the annual amortization payments due are summarized below.

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The Company believes that its liquidity and expected sources of future cash, including the (i) net proceeds from the currently-pending sale of Southpoint as further discussed below, (ii) \$2.8 million of cash and cash equivalents presently on hand, (iii) drawdowns on a \$1 million line of credit, (iv) net proceeds of sales of partial interests in one or more of the Company's other properties, and (v) net proceeds of the pending refinancing of The Point's mortgage loan are sufficient to meet current and short-term obligations, which include capital expenditures, property acquisition commitments, SWH amortization payments and repayment of The Point's existing mortgage loan.

The tragedy of September 11, 2001 had a significant effect on the real estate industry. The real estate industry has been experiencing a significant change in the property insurance markets that has resulted in significantly higher premiums for landlords whose policies are subject to renewal in 2002, primarily in the area of terrorism insurance coverage. The Company does not know if sufficient insurance coverage will be available when the current policy expires, or the costs for obtaining a policy containing terms similar to our current policy. This may have an impact on the availability and cost of secured financing in the future. Also, the Company expects, as a result of investigations of Enron and other reported investigations of financial reporting, that insurance coverage and premium costs for officers and directors insurance will be adversely affected.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table sets forth the Company's significant debt obligations at December 31, 2001 by scheduled principal cash flow payments and maturity date:

The combined aggregate future principal payments of mortgages and loans at December 31, are as follows:

Year	Mortgage loan payable	Other loan payable
2002	\$ 18,242,311 (1)	\$4,871,667 (2)
2003	368,197	841,667
2004	391,499	266,666
2005	425,651	-
2006	457,842	-
Thereafter	26,244,260	-
	\$ 46,129,760	\$5,980,000
	=====	=====

(1) The Point's \$17.9 million loan has two six-month extensions through June 1, 2003. The Company expects to refinance The Point in an amount equal to or greater than \$17.9 million on or before June 1, 2002.

(2) Substantially all of amount due is expected to be paid from the proceeds of the sale of Southpoint (see Note 4).

In order to qualify as a REIT for federal income tax purposes, the Company is required to make distributions to its stockholders of at least 90% of REIT taxable income. The Company expects to use its cash on hand and cash flow from operating activities for this purpose if distributions to partners and stockholders are required in order to continue to qualify as a REIT.

Inflation

Low to moderate levels of inflation during the past several years have favorably impacted the Company's operations by stabilizing operating expenses. At the same time, low inflation had the indirect effect of reducing the Company's ability to increase tenant rents. The Company's properties have tenants whose leases include expense reimbursements and other provisions to minimize the effect of inflation. These factors, in the long run, are expected to result in more attractive returns from the Company's real estate portfolio as compared to short-term investment vehicles.

Funds from Operations

Management believes that funds from operations ("FFO") is an appropriate measurement of performance of the REIT. FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income or loss, excluding gains or losses from debt restructuring and sale of properties plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs. FFO should not be considered an

alternative to cash flow as a measure of liquidity (See Selected Financial Data).

Since all companies and analysts do not calculate FFO in a similar fashion, the Company's calculation of FFO presented herein may not be comparable to similarly titled measures reported by other companies.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table represents the Company's FFO calculation for the years ended December 31,

	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Net (loss) before limited partner's interest in Operating Partnership	\$ (139,975)	\$ 197,034	\$ 379,960
	-----	-----	-----
Add (Less):			
Limited partner's interest in Operating Partnership	74,586	(191,615)	(315,490)
	-----	-----	-----
Net income available to common shareholders	(65,389)	5,419	64,470
Adjustment for funds from operations			
Add (less) Company's share of the following items:			
Depreciation	201,431	150,498	131,806
Impairment loss	387,634	70,026	-
Loss on sale of real estate	85,399	-	-
Minority interest	12,749	(2,216)	-
Gain on sale of real estate	(473,338)	(26,293)	-
Amount distributable to Minority Partners upon consolidation	(26,888)	-	-
	-----	-----	-----
Basic and diluted funds from operations	\$ 121,598	\$ 197,434	\$ 196,276
	=====	=====	=====
Weighted average shares/units outstanding (1)	692,111	869,481	593,618
	=====	=====	=====

</TABLE>

The following table represents the Operating Partnership's FFO calculation for the years ended December 31,

	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Net (loss) before limited partner's interest in Operating Partnership	\$ (139,975)	\$ 197,034	\$ 379,960
	-----	-----	-----
Add (less):			
Limited partner's interest in Operating Partnership	74,586	(191,615)	(315,490)
	-----	-----	-----
Net (loss) income available to common shareholders	(65,389)	5,419	64,470
Adjustment for funds from operations:			
Add (less) Company's share of the following items:			
Limited partner's interest	(74,586)	191,615	315,490
Depreciation	697,234	520,934	492,416
Loss on sale of real estate	295,610	-	-
Impairment loss	1,341,759	203,979	-
Minority interest	44,129	(7,669)	-
Gain on sale of real estate	(1,638,416)	(91,012)	-
Amount distributable to Minority Partners upon consolidation	(93,068)	-	-
	-----	-----	-----
Basic and diluted funds from operations	\$ 507,273	\$ 823,266	\$ 872,376
	=====	=====	=====
Weighted average shares/units outstanding (1)	2,395,411	2,572,781	2,296,918

</TABLE>

(1) Assumes conversion of limited partnership Units of the Operating Partnership; reflects the issuance of 400,000 new shares of Common Stock on November 15, 1999, and the repurchase of 150,000 shares of Common Stock on November 22, 2000, and the repurchase of 100,000 shares of Common Stock on December 14, 2000.

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Item 7(a). Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to changes in interest rates primarily from its floating debt arrangements. The Company's primary strategy is to protect against this risk by using a derivative transaction to limit the adverse impact that floating LIBOR rate interest fluctuations could have on cash flow. In November 2000, the Company, through a partnership it controls, entered into an interest rate cap agreement effective December 1, 2000 with a financial institution for a notional amount of \$17,900,000, capping the interest rate of its secured mortgage loan facility which provides for interest at LIBOR plus 3.25% (interest rate at December 31, 2001 was 5.39%). The cap limits interest to 7.5% and expires on June 1, 2002. The intention is for the cap agreement to be held to maturity. The Company does not use derivative financial instruments for trading purposes. As of December 31, 2001, the hedge effectively had no value and has been adjusted in accordance with SFAS 133 (See Note 2, "Recent Pronouncements" to the consolidated financial statements). Because of the Company's minimal use of derivatives, management's adoption of SFAS 137 (See Note 2, "Recent Pronouncements" to the consolidated financial statements) did not have a significant effect on earnings or on the financial position of the Company. If the base interest rates would increase by 1%, there would be an approximate \$179,000 decrease in net income prior to minority interest and limited partner's interest.

In addition, the Company has an aggregate of \$34,209,760 of mortgage loans and one other loan payable at fixed interest rates. A substantial increase in general interest rates would potentially prevent the Company from refinancing the mortgage loans and the other loan at rates favorable to the Company.

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Item 8. Financial Statements and Supplemental Data

Report of Independent Auditors.....	
Consolidated Balance Sheets as of December 31, 2001 and December 31, 2000.....	
Consolidated Statements of Operations for the years ended December 31, 2001, 2000 and 1999.....	
Consolidated Statements of Shareholders' Equity for the years ended December 31, 2001, 2000 and 1999.....	
Consolidated Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999	
Notes to Financial Statements.....	

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Report of Independent Auditors

The Board of Directors and Shareholders
Cedar Income Fund, Ltd.

We have audited the accompanying consolidated balance sheets of Cedar Income Fund, Ltd. as of December 31, 2001 and 2000, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cedar Income Fund, Ltd. at December 31, 2001 and 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young, LLP

New York, NY
March 8, 2002
except for Note 4,
as to which the date
is March 20, 2002.

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Cedar Income Fund, Ltd.
Consolidated Balance Sheets
<TABLE>
<CAPTION>

	December 31,	
	2001	2000
	-----	-----
<S>	<C>	<C>
Assets		
Real estate		
Land	\$ 10,108,717	\$ 5,681,696
Buildings and improvements	47,513,267	22,589,834
	-----	-----
	57,621,984	28,271,530
Less accumulated depreciation	(674,256)	(4,176,607)
	-----	-----
Real estate	56,947,728	24,094,923
Real estate held for sale	4,401,800	1,850,000
Cash and cash equivalents	2,872,289	841,111
Restricted cash	1,402,654	7,298,671
Rents and other receivables	217,104	211,685
Deferred financing costs, net	1,195,047	831,128
Deferred legal, net	98,749	98,833
Prepaid expenses, net	130,557	100,720
Deferred leasing commissions	392,823	79,960
Deferred rental income	47,924	43,762
Taxes held in escrow	641,715	152,963
	-----	-----
Total Assets	\$ 68,348,390	\$ 35,603,756
	=====	=====
Liabilities and Shareholders' Equity		
Liabilities		
Mortgage loans payable	\$ 46,129,760	\$ 17,900,000
Loan payable	5,980,000	-
Line of credit	-	1,515,644
Accounts payable and accrued expenses	876,456	670,351
Security deposits	243,089	66,980
Advance rents	252,294	103,261
	-----	-----
Total Liabilities	53,481,599	20,256,236
	-----	-----
Minority Interest	2,235,239	2,291,110
Limited partner's interest in consolidated Operating Partnership	8,964,366	9,241,509
Shareholders' Equity		
Common stock (\$0.01 par value)		
50,000,000 shares authorized, 692,111 shares outstanding	6,921	6,921
Additional paid-in-capital	3,660,265	3,807,980
Undistributed net income	-	-
	-----	-----
Total Shareholders' Equity	3,667,186	3,814,901
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 68,348,390	\$ 35,603,756
	=====	=====

Total Shareholders' Equity in the Company
and limited partner's (equity) interest in

</TABLE>

See the accompanying notes to financial statements.

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Cedar Income Fund, Ltd.
Consolidated Statements of Operations

<TABLE>

<CAPTION>

	Years ended December 31,		
	2001	2000	1999
<S>	<C>	<C>	<C>
REVENUE			
Rents	\$ 4,816,868	\$ 3,036,943	\$ 2,413,958
Other	-	-	75,000
Interest	281,897	178,838	26,329
Total Revenue	5,098,765	3,215,781	2,515,287
EXPENSES			
Property expenses:			
Payroll	71,065	23,966	-
Real estate taxes	494,348	308,386	258,597
Repairs and maintenance	435,093	247,896	273,253
Utilities	250,828	235,740	167,886
Management fee	186,283	127,826	124,358
Insurance	63,271	36,385	21,764
Other	234,162	182,390	124,883
Property expenses, excluding depreciation and amortization	1,735,050	1,162,589	970,741
Depreciation	697,234	520,934	492,716
Amortization	294,100	100,575	-
Total property expenses	2,726,384	1,784,098	1,463,457
Interest	1,887,837	604,182	127,700
Administrative fees	163,404	97,872	102,397
Directors' fees, Directors' and Officers' insurance and expenses	99,170	82,636	97,872
Other administrative	318,863	344,661	343,901
Total Expenses	5,195,658	2,913,449	2,135,327
Net (loss) income before minority interest, limited partnership's interest, loss on impairment, and gain (loss) on sales	(96,893)	302,332	379,960
Minority interest	(44,129)	7,669	-
Limited partner's interest	74,586	(191,615)	(315,490)
Loss on impairment	(1,341,759)	(203,979)	-
Gain on sale	1,638,416	91,012	-
Loss on sale	(295,610)	-	-
Net (loss) income before cumulative effect adjustment	(65,389)	5,419	64,470
Cumulative effect of change in accounting principles, net of limited partner's share of (\$14,723)	(6,014)	-	-
Net (loss) income before extraordinary items	(71,403)	5,419	64,470
Extraordinary items			
Early extinguishment of debt (net of limited partner's share of \$187,834)	(76,312)	-	-
Early extinguishment of debt (net of limited partner's share of \$32,073)	-	(17,502)	-
Net (loss) income	\$ (147,715)	\$ (12,083)	\$ 64,470
Net (loss) earnings per share before cumulative effect adjustment	\$ (0.09)	\$ 0.01	\$ 0.11
Cumulative effect of change in accounting principles	(0.01)	-	-
Net (loss) earnings per share before extraordinary items	(0.10)	0.01	0.11
Extraordinary loss per share	(0.11)	-	-
Extraordinary loss per share	-	(0.02)	-
Net (loss) earnings per share	\$ (0.21)	\$ (0.01)	\$ 0.11
Dividends to shareholders	\$ -	\$ 267,951	\$ 256,990
Dividends to shareholders per share	\$ -	\$ 0.31	\$ 0.43
Average number of shares outstanding	692,111	869,481	593,618

</TABLE>

See the accompanying notes to the financial statements.

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Cedar Income Fund, Ltd.
Consolidated Statements of Shareholders' Equity

<TABLE>
<CAPTION>

Years ended December 31, 2001, 2000, 1999

	Common Stock	Additional Paid-In Capital	Undistributed Net Earnings	Total Shareholders' Equity
<S>	<C>	<C>	<C>	<C>
Balance at January 1, 1999	\$ 5,421	\$ 3,284,099	\$ -	\$ 3,289,520
Net earnings	-	-	64,470	64,470
Dividends to shareholders	-	(192,520)	(64,470)	(256,990)
Sale of additional shares	4,000	2,141,935	-	2,145,935
Balance at December 31, 1999	9,421	5,233,514	-	5,242,935
Net loss	-	-	(12,083)	(12,083)
Dividends to shareholders	-	(280,034)	12,083	(267,951)
Treasury stock	(2,500)	(1,145,500)	-	(1,148,000)
Balance at December 31, 2000	6,921	3,807,980	-	3,814,901
Net loss	-	(147,715)	-	(147,715)
Dividends to shareholders	-	-	-	-
Treasury stock	-	-	-	-
Balance at December 31, 2001	\$ 6,921	\$ 3,660,265	\$ -	\$ 3,667,186

</TABLE>

See the accompanying notes to the financial statements.

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Cedar Income Fund, Ltd.
Consolidated Statements of Cash Flows

Operating Activities

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER	
31,	2001	2000
1999		
<S>	<C>	<C>
<C>		
Operating Activities		
Net (loss) income	\$ (147,715)	\$ (12,083)
\$ 64,470		
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Limited partner's interest in Operating Partnership	(74,586)	191,615
315,490		
Minority interest	44,129	7,669
-		
Gain on sale of Germantown	-	(91,012)
-		
Gain on sale of Broadbent	(1,638,416)	-
-		
Loss on sale of Corporate Center	295,610	
Loss on real estate impairment	1,341,759	203,979
-		
Cumulative effect of change in accounting principle	20,737	-
-		
Early extinguishment of debt	264,146	-
-		
Depreciation and amortization	991,334	621,509
496,992		
Decrease (increase) in deferred rental receivable	(4,162)	(31,450)
9,188		
Changes in operating assets and liabilities:		
(Decrease) increase in deferred legal	84	(98,833)
-		
(Increase) decrease in rent and other receivable	(5,419)	(113,056)
9,567		

(Increase) decrease in prepaid expenses 1,115	(29,837)	1,172
(Increase) decrease in deferred lease commissions 8,406	(312,863)	(32,016)
(Increase) decrease in tax held in escrow 3,550	(488,752)	(146,704)
Increase in accounts payable and accrued expenses 193,432	206,105	304,561
(Increase) decrease in amounts due from co-tenancy partner 4,330	-	56,993
(Increase) decrease in amounts due to co-tenancy partner (412)	-	(46,158)
Security deposits collected, net 3,453	176,109	(20,939)
Increase in advance rents (4,239)	149,033	61,166

Net cash provided by operating activities 1,105,342	787,296	856,413
Cash flow from investing activities		
Capital expenditures (282,255)	(6,054,658)	(2,066,268)
(Decrease) increase in restricted cash -	5,896,017	(7,298,670)
Distribution to minority partner -	(100,000)	-
Sale of Germantown Square -	-	2,982,641
Sale of Broadbent -	4,839,941	-
Sale of Corporate Center -	1,722,458	-
Acquisition of three supermarket-anchored shopping centers -	(8,510,761)	-
Acquisition of The Point Associates L.P. -	-	(1,916,559)

Net cash used in investing activities (282,255)	(2,207,003)	(8,298,856)
Cash flow from financing activities		
Proceeds from mortgages -	6,000,000	8,600,000
Principal portion of scheduled mortgage payments (28,001)	(111,306)	(1,346,750)
(Repayment of) proceeds from line of credit -	(1,515,644)	1,515,644
Dividends paid (256,990)	-	(267,951)
Distributions to limited partner (681,681)	-	(511,019)
Financing costs -	(922,165)	(856,704)
Gross proceeds from sale of stock 1,800,000	-	-
Costs associated with sale of stock (36,277)	-	-
Reacquisition of treasury stock -	-	(1,148,000)

Net cash provided by financing activities 797,051	3,450,885	5,985,220
Net increase (decrease) in cash and cash equivalents 1,620,138	2,031,178	(1,457,223)
Cash and cash equivalents at beginning of the year 678,196	841,111	2,298,334

Cash and cash equivalents at end of the year \$ 2,298,334	\$ 2,872,289	\$ 841,111
=====		
Supplemental disclosure of cash activities		
Interest paid \$ 127,700	\$ 2,017,455	\$ 604,182
=====		
Supplemental disclosure of non-cash financing activities		
Reallocation of limited partner's interest for sale of shares below book value	\$ -	\$ -

\$ 382,211

=====
Assumption of mortgage payable
\$ -

\$ 28,321,066

\$ 9,300,000

</TABLE>

See the accompanying notes to financial statements.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 1. Background, Organization and Reorganization of the Company

Cedar Income Fund, Ltd. (the "Company") was originally incorporated in Iowa on December 10, 1984 and qualified to operate as a real estate investment trust ("REIT"). Shortly thereafter, the Company's Common Stock was listed on the NASDAQ securities market. In June 1998, the Company was reorganized and included in an umbrella partnership REIT structure through the contribution of substantially all of its assets to a limited partnership (the "Operating Partnership") in exchange for the sole general partnership interest and all 2,245,411 limited partnership interests ("Units") of the Operating Partnership. Immediately thereafter, Cedar Bay Company, ("CBC") a New York general partnership, which, as a result of a tender offer completed in April 1998, became the largest stockholder of the Company, exchanged 1,703,300 shares of Common Stock for 1,703,300 Units owned by the Company. Following these transactions, substantially all of the Company's assets consisted of the controlling general partnership interest of the Operating Partnership and approximately 24% of the Units; substantially all of CBC's assets consisted of 189,737 shares of Common Stock (approximately 35% of the then-issued and outstanding shares of Common Stock) and approximately 76% of the Units.

The Company's shares are traded on the NASDAQ (Small Cap) Market under the symbol "CEDR".

Currently, a Unit in the Operating Partnership and a share of Common Stock of the Company have essentially the same economic characteristics, as they effectively share equally in net income or loss and distributions of the Operating Partnership.

The Company continues to operate as a REIT. To qualify as a REIT under applicable provisions of the Internal Revenue Code of 1986, as amended, and Regulations thereto, the Company must have a significant percentage of its assets invested in, and income derived from, real estate and related sources. The Company's objectives are to provide to its shareholders a professionally managed, diversified portfolio of commercial (primarily shopping center) real estate investments which will provide the best available cash flow and present an opportunity for capital appreciation.

The Company, through its Operating Partnership, owns and operates one office property of approximately 79,000 sq. ft., located in Jacksonville, Florida, a shopping center property of approximately 260,000 sq. ft. located in Harrisburg, Pennsylvania through a 50% sole general partnership interest, and three shopping center properties aggregating approximately 470,000 sq. ft., two of which are located in Philadelphia, Pennsylvania and the third of which is located in Sewell, New Jersey.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 1. Background, Organization and Reorganization of the Company (continued)

Cedar Bay Realty Advisors, Inc., a New York corporation ("CBRA"), serves as investment advisor to the Company pursuant to an Administrative and Advisory Agreement with the Company. Brentway Management LLC ("Brentway") a New York limited liability company provides property management services for the Company's properties pursuant to a Management Agreement with the Company on terms standard in the industry. SKR Management Corp., a New York corporation ("SKR") provides certain legal services to the Company through its in-house counsel and Secretary of the Company, Stuart H. Widowski. CBRA and SKR are wholly-owned by Leo S. Ullman. Brentway is owned by Leo Ullman and Brenda Walker. Leo S. Ullman is President and Chairman of the Board of the Company and of the corporate partners of CBC. Brenda Walker is Vice President and a Director of the Company and Vice President of the corporate partners of CBC. The terms of the Administrative and Advisory Agreement and Management Agreement are further discussed in Note 7 to the Consolidated Financial Statements and in Item 13.

The Company believes that its liquidity and expected sources of future cash including the (i) net proceeds from the currently-pending sale of Southpoint as further discussed below, (ii) \$2.8 million of cash and cash

equivalents presently on hand, (iii) drawdowns on a \$1 million line of credit (iv) net proceeds of sales of partial interests in one or more of the Company's other properties, and (v) net proceeds of the pending refinancing of The Point's mortgage loan are sufficient to meet current and short-term obligations, which include capital expenditures, property acquisition commitments, SWH amortization payments and repayment of The Point's existing mortgage loan. (See Notes 4, 5 and 6).

Note 2. Description of Significant Accounting Policies

Consolidation Policy and Related Matters

The accompanying consolidated financial statements include the consolidated financial position of the Company and the Operating Partnership as of December 31, 2001. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company owns an approximate 29% partnership interest as sole general partner in the Operating Partnership, which provides the Company with control over all significant activities of the Operating Partnership. The terms of the Agreement of Limited Partnership of Cedar Income Fund Partnership, L.P. dated June 1998, provide that the general partner has exclusive control over the business affairs of the Operating Partnership, including, without limitation, the following: (1) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of or any other contracting of indebtedness and other liabilities; (2) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental agencies; (3) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any assets; (4) the negotiation, execution and performance of any contracts, leases, conveyances or other instruments; (5) the appointment of a manager or advisor to manage the business of the Operating Partnership; (6) the maintenance of insurance; (7) the formation of, or acquisition of an interest in, and the contribution of property to, any further limited or general partnerships, joint ventures or other relationships that it deems desirable; (8)

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 2. Description of Significant Accounting Policies (continued)

Consolidation Policy and Related Matters (continued)

the control of all matters affecting the rights and obligations of the Operating Partnership; and (9) the general partner may not be removed by the limited partners, with or without cause, except with the consent of the general partner.

Based on the above nine items noted from the Limited Partnership Agreement and the fact that the limited partners have no significant rights, the Company has control over the Operating Partnership based on its general partnership interest, and, accordingly, the Operating Partnership is consolidated with the Company in the accompanying financial statements as of December 31, 2001.

The limited partner's interest as of December 31, 2001 (currently owned entirely by CBC) represents approximately a 71% limited partnership interest in the equity of the Operating Partnership.

The minority interest represents the limited partner's 50% interest in The Point Associates, LP ("The Point Associates"). The Operating Partnership has a 50% general partnership interest in such partnership, which is consolidated in the accompanying financial statements for similar reasons as set forth for the Operating Partnership. The limited partner in The Point Associates is an affiliate of CBC.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition

Rental income is recognized on a straight-line basis over the term of the lease. The excess of rents recognized over amounts contractually due is included in deferred rents receivable on the accompanying balance sheets. Contractually due but unpaid rents are included in tenant receivables on the accompanying balance sheets. Certain lease agreements provide for reimbursement of real estate taxes, insurance, common area maintenance costs and certain other costs which are recorded on an accrual basis.

Sales of real estate are recorded when title is conveyed to the buyer, subject to the buyer's financial commitment being sufficient to provide economic substance for the sale.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 2. Description of Significant Accounting Policies (continued)

Real Estate

Depreciation is computed utilizing the straight-line method over the estimated useful lives of ten to forty years for buildings and improvements. Tenant improvements, which are included in buildings and improvements, are amortized on a straight-line basis over the term of the related lease.

Cash Equivalents

The Company considers highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Deferred Costs

Leasing fees and loan costs are capitalized and amortized over the life of the related lease or loan.

Stock Options

The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and related interpretations in accounting for its employee stock options because, the alternative fair value accounting provided for by the Financial Accounting Standard Board ("FASB") under Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," requires use of option valuation models that were not developed for use in valuing employee stock options.

The Company established a stock option plan (the "Plan") for the purpose of attracting and retaining executive officers, directors and other key employees. 500,000 of the Company's authorized shares of Common Stock have been reserved for issuance under the Plan. The Plan is administered by a committee of the Board of Directors, which committee will, among other things, select the number of shares subject to each grant, the vesting period for each grant and the exercise price (subject to applicable regulations with respect to incentive stock options) for the options.

Effective July 10, 2001, the Board of Directors authorized the issuance of options to purchase 10,000 shares at \$3.50 per share, the stock price as of that date, to each of the five Directors then in office and valid for ten years thereafter.

Earnings Per Share

FASB Statement of Financial Accounting Standards No. 128 ("SFAS 128"), "Earnings per Share", was issued and adopted by the Company during 1997. SFAS 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Since the

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 2. Description of Significant Accounting Policies (continued)

Earnings Per Share (continued)

Company has no dilutive securities outstanding, basic and diluted net income per share in accordance with SFAS 128 are the same and do not differ from amounts previously reported as net income per share (primary earnings per share). Accordingly, basic and diluted net income (loss) per share is computed using the weighted average number of shares outstanding during the year.

Basic and diluted net income per share is based on the weighted average number of shares outstanding (692,111 in 2001, 869,481 in 2000, and 593,618 in 1999). Dividends to shareholders per share are based on the actual number of shares outstanding on the respective dates.

CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 2. Description of Significant Accounting Policies (continued)

Income Taxes

The Company generally will not be subject to federal income taxes as long as it qualifies as a REIT under Sections 856-869 of The Internal Revenue Code of 1986, as amended (the "Code"). A REIT will generally not be subject to federal income taxation on that portion of income that qualifies as REIT taxable income and to the extent that it distributes such taxable income to its stockholders and complies with certain requirements of the Code relating to income and assets. As a REIT, the Company is allowed to reduce taxable income by all or a portion of distributions to stockholders and must distribute at least 90% of its taxable income to qualify as a REIT.

Impairment of Long-Lived Assets

The Company's real estate assets are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. When such events occur, the Company measures impairment by comparing the carrying value of the long-lived asset to the estimated undiscounted future cash flows expected to result from use of the assets and their eventual disposition. If the sum of the expected undiscounted future cash flows is less than the carrying amount of the assets, the Company would recognize an impairment loss based upon an estimate of value of the respective property.

Comprehensive Income

In 1997, the FASB issued Statement of Financial Accounting Standards No. 130 ("SFAS 130"), "Reporting Comprehensive Income", which is effective for fiscal years beginning after December 15, 1997. SFAS 130 established standards for reporting comprehensive income and its components in a full set of general-purpose financial statements. SFAS 130 requires that all components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The adoption of this standard had no impact on the Company's financial position or results of operations.

Recent Pronouncements

In June 2001, the FASB approved Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations", and Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets". SFAS 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. SFAS 142 changes the accounting for goodwill from an amortization method to an impairment-only approach. The provisions of SFAS 142 are effective for fiscal years beginning after December 15, 2001. The Company will adopt SFAS 142 at the beginning of its fiscal year ending December 31, 2002. The Company believes that the adoption of this standard will have no impact on the Company's financial position or results of operations.

CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 2. Description of Significant Accounting Policies (continued)

In August 2001, the FASB approved Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 supercedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions", for the disposal of a segment of business. SFAS 144 retains the requirements of SFAS 121 for recognition and measurement of an impairment loss on long-lived assets, and establishes a single accounting model for all long-lived assets to be disposed of by sale, whether previously held and used or newly acquired. The provisions of SFAS 144 are effective for fiscal years beginning after December 15, 2001. The Company will adopt SFAS 144 at the beginning of its fiscal year ending December 31, 2002. The Company is assessing the impact of the adoption of SFAS 144.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Derivative Financial Instruments

On January 1, 2001 the Company adopted Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities," as amended by Statement of Financial Accounting Standards No. 138 ("SFAS 138"), "Accounting for Certain Derivative Instruments and Certain Hedging Activities." SFAS 133, as amended, establishes accounting and reporting standards for derivative instruments. Specifically, SFAS 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and to measure those instruments at fair value. In the normal course of business, the Company is exposed to the effect of interest rate changes. The Company limits these risks by following established risk management policies and procedures including those for the use of derivatives. The only hedging transaction entered into by the Company was the purchase of an interest rate cap during 2000. The Company does not use derivatives for trading or speculative purposes. Further, the Company has a policy of only entering into contracts with major financial institutions based upon their credit ratings and other factors.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 2. Description of Significant Accounting Policies (continued)

Fair Values of Financial Instruments (continued)

Interest Rate Cap: The following table summarizes the notional value and fair value of the Company's derivative financial instrument, interest rate cap, as of December 31, 2001:

<TABLE>
<CAPTION>

Hedge	Type	Notional Value	Interest Rate	Maturity	Fair Value
<S>	<C>	<C>	<C>	<C>	<C>
Interest Rate Cap	Cash Flow Hedge	\$17,900,000	7.5%	June 1, 2002	\$ 0

</TABLE>

For an interest rate cap, which is a cash flow hedge, the unrealized gain/loss in the fair value of these hedges are reported on the balance sheet with a corresponding adjustment to either accumulated other comprehensive income or earnings, depending on the type of hedging relationship. At January 1, 2001, the fair value of the interest rate cap decreased by \$20,737, which was recorded as a cumulative effect adjustment. At December 31, 2001 the fair value of the interest rate cap decreased by \$926, which was recorded as interest expense.

Cash and cash equivalents: The carrying amounts of cash and cash equivalents approximate their fair values.

Mortgage loans payable: The fair value of mortgage loans payable is estimated utilizing discounted cash flow analysis, using interest rates reflective of current market conditions and the risk characteristics of the loans.

The following sets forth a comparison of the fair values and carrying values of the Company's financial instruments subject to the provisions of Statement of Financial Accounting Standard No. 107 ("SFAS 107"):

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<TABLE>
<CAPTION>

	2001		2000	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<S>	<C>	<C>	<C>	<C>
Assets				
Cash and cash equivalents	\$ 2,872,276	\$ 2,872,276	\$ 841,111	\$ 841,111
Liabilities				

Mortgage loans payable				
The Point	\$ 17,900,000	\$ 17,900,000	\$ 17,900,000	\$ 17,900,000
Academy Plaza	10,684,372	10,833,005	-	-
Washington Center	5,968,342	6,289,936	-	-
Port Richmond	11,577,046	11,767,040	\$ -	\$ -
	\$ 46,129,760	\$ 46,789,981	\$ 17,900,000	\$ 17,900,000
Line of Credit	\$ -	\$ -	\$ 1,515,644	\$ 1,515,644
Loan Payable	\$ 5,980,000	\$ 5,980,000	\$ -	\$ -

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 3. Real Estate and Accumulated Depreciation

The Company's properties are leased to various tenants, whereby the Company incurs normal real estate operating expenses associated with ownership. In 2001, the Company incurred capital expenditures of \$6,054,658, exclusive of the purchases of operating properties. In 2000, the Company incurred capital expenditures of \$2,066,268. The Company acquired the Port Richmond Village, Academy Plaza, and Washington Center (and the adjacent development parcel) properties on October 9, 2001 for an aggregate purchase price of \$36,831,627, including debt assumed of \$28,321,066. Information regarding the Company's investment in each property is presented in the Schedule of Real Estate and Accumulated Depreciation that follows:

Information on Real Estate and Accumulated Depreciation

Property Description(1) Total	Amount of Encumbrance	Initial Cost to Company			Gross Amount at Which	
		Land	Buildings and Improvements	Subsequent Cost Capitalized	Land	Buildings and Improvements
The Point Shopping Center \$21,488,968 Harrisburg, Pennsylvania	\$17,900,000	\$ 2,700,000	\$10,800,000	\$7,988,968	\$ 2,700,000	\$18,788,968
Port Richmond Village 14,724,907 Philadelphia, Pennsylvania	11,577,046	2,942,342	11,769,365	13,200	2,942,342	11,782,565
Academy Plaza 12,028,308 Philadelphia, Pennsylvania	10,648,372	2,405,662	9,622,646	-	2,405,662	9,622,646
Washington Center Shoppes 9,379,801 Washington Township, NJ (2)	5,968,342	2,060,713	7,314,338	4,750	2,060,713	7,319,088
Totals \$57,621,984	\$46,093,760	\$10,108,717	\$39,506,349	\$8,006,918	\$10,108,717	\$47,513,267

	Accumulated Depreciation	Date Built	Date Acquired	Life on which Depreciation is Computed (in years)
The Point Shopping Center Harrisburg, Pennsylvania (3)	\$494,811	1972	Jul-00	10-40
Port Richmond Village Philadelphia, Pennsylvania	73,609	1988	Oct-01	10-40
Academy Plaza Philadelphia, Pennsylvania	60,142	1965	Oct-01	10-40

Washington Center Shoppes 45,694 1979 Oct-01 10-40
Washington Township, NJ (2)

Totals \$674,256
=====

</TABLE>

(1) Does not include Southpoint, which was classified as "real estate held for sale" at December 31, 2001.

(2) Includes adjacent unencumbered development parcel.

(3) Redeveloped in 2001.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 3. Real Estate and Accumulated Depreciation (continued)

The activity in real estate and related accumulated depreciation for the three year period ended December 31, 2001, is summarized in the table below:

<TABLE>

<CAPTION>

	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Cost			
Beginning of year improvements	\$ 28,271,530	19,186,022	18,903,767
Improvement additions	6,054,658	2,066,268	282,255
The Point acquisition	-	13,500,000	-
Acquisition of 3 supermarket-anchored shopping centers	36,115,316	-	-
Reclass Southpoint to real estate held for sale	(8,111,127)	-	-
Impairment loss	-	(2,715,386)	-
Sale of Broadbent	(4,708,393)	-	-
Sale of Germantown	-	(3,765,374)	-
	-----	-----	-----
End of Year	\$ 57,621,984	\$ 28,271,530	\$ 19,186,022
	=====	=====	=====
Accumulated depreciation			
Beginning of year	\$ 4,176,607	\$ 5,190,825	\$ 4,698,109
Additional depreciation expense this year	697,234	520,934	492,716
Reclass Southpoint to real estate held for sale	(2,701,914)	-	-
Impairment property	-	(661,407)	-
Sale of Broadbent	(1,497,671)	-	-
Sale of Germantown	-	(873,745)	-
	-----	-----	-----
End of Year	\$ 674,256	\$ 4,176,607	\$ 5,190,825
	=====	=====	=====

</TABLE>

Pro Forma

The following table summarizes, on an unaudited pro forma basis, the combined results of operations of the Company for the years ended December 31, 2001 and 2000 as though the 2001 acquisitions of Washington Center Shops L.P., Port Richmond Associates, LLC, Academy Stores LP, and Greentree Road Inc., (all purchased on October 6, 2001) were completed as of January 1, 2000.

	2001	2000
	-----	-----
Pro forma revenues	\$9,507,765	\$8,681,236
Pro forma net income (loss)	(141,689)	(214,086)
Pro forma basic earnings per common share	\$ (0.20)	\$ (0.25)
Common shares - basic	692,111	869,481

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 4. Real Estate Held for Sale and Sales of Real Estate

As a result of the SWH financing and the related mandatory payments (see Note 6), the Company's Southpoint property in Jacksonville, Florida has been actively marketed for sale and was classified as "real estate held for sale" effective October 9, 2001 (see Notes 1 and 6). A contract of sale for Southpoint with an unrelated purchaser in the amount of \$4.7 million, entered

into as of February 1, 2002, is presently pending. The deposit on the contract became non-refundable as of March 20, 2002. The sale is expected to be completed in the second quarter of 2002. Net proceeds of the sale are expected to be approximately \$4,400,000, after credits to purchaser for certain tenant and capital improvements in the aggregate amount of approximately \$25,000, and after deduction of sales costs of \$273,000, including estimated commissions of \$169,000, legal fees of \$10,000 and a disposition fee payable to CBRA in the amount of \$47,000. Management, during the year ended December 31, 2001, recognized an impairment loss of \$1,341,759 related to the Southpoint property. That impairment loss reflects the difference between the book value of the Southpoint property, as of December 31, 2001, and the present market value of the property less estimated sales costs.

The cost basis of Corporate Center was reduced by approximately \$204,000 to \$1,850,000 on the books of the Company during the second quarter of 2000, to adjust the property's value to fair market when the property was reclassified to "Real Estate Held for Sale", and was classified as such at December 31, 2000.

In 2001, the Company sold two of its office properties, Broadbent Business Center, Salt Lake City, Utah and Corporate Center, Bloomington, Illinois for \$5.3 million and \$1.86 million, respectively. The gain (loss) on the sale of those properties were \$1,638,416 and (\$295,610), respectively.

Note 5. Commitments and Contingencies

The Company's properties are leased to tenants under short-term, non-cancelable operating lease agreements. Future minimum lease rentals to be received under the terms of these lease agreements are approximately as follows:

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 5. Commitments and Contingencies (continued)

Year	Amount
2002	\$ 5,759,000
2003	5,149,000
2004	4,668,000
2005	4,421,000
2006	3,812,000
Thereafter	27,116,000

	\$ 50,925,000
	=====

Contingent rentals (expense recoveries and percentage rent) provided by various leases were included in rental income for 2001, 2000 and 1999 in the amounts of \$811,412, \$450,470 and \$253,755, respectively.

The Company derived approximately 26% of its revenue from three major tenants in 2001. Revenue from GSA, a tenant at Southpoint, was \$535,692 in 2001. Revenue from Giant Food Stores, a tenant at The Point with rent commencing July 30, 2001, was \$389,580. Revenue from Burlington Coat Factory, another tenant at The Point, was \$344,988 in 2001.

The Operating Partnership has entered into agreements to purchase (i) an approximate 7 acre parcel of land in Fort Washington, Pennsylvania, on which it has agreed to build a 41,000 sq. ft. health club facility, net-leased pursuant to an executed lease agreement to L.A. Fitness International, L.L.C.; (ii) subject to mortgagee approval of the assumption of existing first mortgage financing, a 293,000 sq. ft. supermarket-anchored shopping center in north central Pennsylvania; and (iii) subject to a fairness opinion, a 20% sole general partnership interest in a partnership owning a 220,000 sq. ft. shopping center in Philadelphia, Pennsylvania presently owned by an affiliate of CBC.

The Fort Washington development is expected to be financed with a third-party construction loan, which, upon completion, will become a permanent loan, of \$5 million (the aggregate term of the loan including the construction period will be five years), third-party participating equity of \$1 million, approximately \$1.7 million from the tenant and approximately \$300,000 in equity contributions from the Company out of currently available cash. The supermarket-anchored center is expected to be acquired by assumption of existing third-party financing of approximately \$14 million, \$4 million from a third-party participating equity co-venturer and \$1.4 million from the Company's currently available cash. The 20% sole general partnership interest will be purchased in four equal annual installments of approximately \$300,000-\$400,000 each, again from currently available cash.

See notes 1, 6 and 7 for additional commitments and contingencies.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 6. Mortgage Loans, Other Loans Payable, and Line of Credit

Properties owned by the Company are subject to the following property-specific mortgage loans payable:

- o Academy Plaza, Philadelphia, Pennsylvania, has a first mortgage with a principal balance of approximately \$10,715,000 as of December 31, 2001, at 7.275% due March 10, 2013, with a 30-year amortization schedule.
- o Port Richmond Village, Philadelphia, Pennsylvania, has a first mortgage with a principal balance of approximately \$11,610,000 as of December 31, 2001, at 7.174% due April 10, 2007, with a 30-year amortization schedule.
- o Washington Center Shoppes, Sewell, New Jersey, has a first mortgage with a principal balance of approximately \$5,986,000 as of December 31, 2001, at 7.53% with an anticipated payment date of November 11, 2007, with a 30-year amortization schedule with a contractual maturity date of November 11, 2027.
- o The Point Shopping Center, Harrisburg, Pennsylvania, in which the Company has a 50% general partnership interest, has a first mortgage in the amount of \$17,900,000 as of December 31, 2001, at LIBOR plus 3.25%, due June 1, 2002.
- o Southpoint Parkway Center, Jacksonville, Florida, became encumbered on October 9, 2001, by a first mortgage in the amount of \$6 million in connection with financing in such amount, by SWH Funding Corp. of Hackensack, New Jersey. The Southpoint property was unencumbered immediately prior to such financing. Net proceeds of such \$6 million financing were applied to the acquisition of the three supermarket-anchored shopping centers in Pennsylvania and southern New Jersey as described in Note 3.

A wholly-owned subsidiary of SWH and the Operating Partnership have together formed Cedar Center Holdings L.L.C. 3, which, in turn, is the sole member of each of the four limited liability companies which own, indirectly through other limited liability companies, the three shopping center properties and development parcel acquired by the Operating Partnership in October 2001. SWH has no interest in profits or assets of Cedar Center Holdings L.L.C. 3; however, SWH has the right to acquire operating control of the above mentioned three shopping center properties in the event of a default by the Operating Partnership or its affiliates of certain terms of the SWH financing.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 6. Mortgage Loans, Other Loans Payable, and Line of Credit (continued)

As additional security for the SWH loan, the Operating Partnership has pledged to SWH Funding Corp., its rights to distributions from the entity which controls the limited liability companies which own each of the three shopping center properties. Under the pledge, SWH has no rights to such distributions unless and until an event of default occurs.

The SWH financing arrangements involve a term of three years, maturing November 1, 2004, with a right to extend for two additional eighteen month periods upon payment of certain fees, and subject to certain additional minimum monthly and annual or "back-end" payments, and to certain additional participations in gain in value payable at the earliest of the repayment date, maturity or the date of sale of the three shopping center properties described above.

Payments to SWH pursuant to the financing arrangements shall be at a rate of 12.5% per annum on the outstanding balance. In addition, an "equity fee" in an amount equal to the greater of \$350,000 or 10% of the gain in value of the properties as determined by appraisal is payable at maturity. Further, SWH shall be entitled to "exit fees" of \$120,000 if the entire principal is paid prior to October 2002, thereafter additional amounts accrue at 1/3% per month during the period October 2002 - November 2004; 1/2% per month during the extension period from November 2004 - November 2005; and 2/3% per month during the extension periods from November 2005 - November 2007. A loan fee of \$225,000 was paid to SWH at closing.

Commencing as of December 1, 2001, amortization payments of \$10,000 are required during each of the first three months, \$20,000 for each of the 4th through 6th months, \$35,000 for each of the 7th through the 12th months, \$45,833.33 for the 13th through the 24th months, and \$41,666.67 for the 25th through the 36th months. In addition there is a mandatory payment of \$4.5

million on or prior to the 12th month (November 2002) and an additional mandatory payment of \$300,000 on or prior to the 18th month.

The obligations of the Operating Partnership under the SWH financing agreement are guaranteed by the Company.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 6. Mortgage Loans, Other Loans Payable, and Line of Credit (continued)

The combined aggregate future principal payments of mortgages & loans at December 31, are as follows:

Year	Mortgage loans payable	Other loan payable
2002	\$18,242,311 (1)	\$4,871,667 (2)
2003	368,197	841,667
2004	391,499	266,666
2005	425,651	-
2006	457,842	-
Thereafter	26,244,260	-
	\$46,129,760	\$5,980,000

(1) The Point's \$17.9 million loan has two six-month extensions through June 1, 2003. The Company expects to refinance in an amount equal to or greater than \$17.9 million on or before June 1, 2002.

(2) Substantially all of amount due is expected to be paid from the proceeds of the sale of Southpoint (see Note 4).

The Operating Partnership obtained a line of credit, effective March 4, 2002, in the amount of \$1,000,000 from North Fork Bank, Melville, New York. The term of the loan is for one (1) year with a maturity date of March 4, 2003. The loan, at the sole discretion of the bank, may be used for (i) real estate investment, (ii) real estate management, (iii) working capital and (iv) other purposes as applicable and as approved by the bank. The interest rate is the greater of 6% or the bank's prime rate plus 1%. Interest on the outstanding loan balance is to be paid to the bank monthly in arrears. The line of credit's availability is subject to certain conditions, including, but not limited to, quarterly submission of 10-Q filings, annual submission of 10K filings and a 30-day annual "clean up". The line of credit does not require any fees to be paid by the Company or the Operating Partnership.

Note 7. Related Party Transactions

Tender Offer

In June 1998, CBC, following a tender offer completed in April 1998 for the purchase of the Company's shares, became the Company's largest shareholder.

CBC is a New York general Partnership. CBC is owned 55% by Duncomb Corp., 40% by Lindsay Management Corp. and 5% by Hicks Corp. Mr. Ullman, President and Chairman of the Board of Directors of the Company, is an executive officer and a director of each of those corporations.

CBC is also an affiliate of the limited partner in The Point Associates, L.P. in which the Operating Partnership acquired a 50% general partnership interest in July 2000 for \$2.1 million plus closing costs of approximately \$385,000.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 7. Related Party Transactions (continued)

The 50% interest in The Point Associates, was purchased from Selbridge Corp., then the sole general partner of The Point Associates, L.P. by assignment of its 42% general partnership interest and from Mr. Ullman, then the sole limited partner, by assignment of his entire 8% limited partnership interest. Simultaneously with the assignment of partnership interests, Selbridge Corp. became a 50% limited partner and the Company became a 50% general partner.

The proceeds of Mr. Ullman's 8% limited partnership interest were used to repay a loan from Selbridge Corp. to Mr. Ullman to buy such partnership

interest. Selbridge Corp. paid a disposition fee to SKR in the amount of \$67,500.

The Operating Partnership has the right to acquire an additional 39% partnership interest from Selbridge Corp. at any time at a price equal to the fractional interest to be acquired, multiplied by ten times net operating income, less the outstanding first mortgage debt. Selbridge Corp. is prohibited from selling its remaining interest in The Point Associates, without first offering to sell such interest to the Operating Partnership based upon the aforementioned formula.

Advisory Services

The Company does not have any employees and has contracted with CBRA to provide administrative, advisory, acquisition and divestiture services to the Company pursuant to an Administrative and Advisory Agreement (the "Advisory Agreement") entered into in April 1998, and amended as of August 21, 2000 and January 1, 2002. CBRA is wholly-owned by Leo S. Ullman. Mr. Ullman is President and a director of, and Brenda J. Walker is Vice President of, CBRA. The term of the amended Advisory Agreement commenced as of August 21, 2000, and is for five years and is automatically renewed annually thereafter for additional one-year periods, subject to the right of a majority of independent directors to cancel the Advisory Agreement upon sixty days' written notice. While Mr. Ullman and Ms. Walker are not employed by the Company, they do receive remuneration from CBRA, Brentway, and SKR each of which receives fees from the Company.

Under the Advisory Agreement, CBRA is obligated to: (a) provide office space and equipment, personnel and general office services necessary to conduct the day-to-day operations of the Company; (b) select and conduct relations with accountants (subject to audit committee approval), attorneys, brokers, banks and other lenders, and such other parties as may be considered necessary in connection with the Company's business and investment activities, including, but not limited to, obtaining services required in the acquisition, management and disposition of investments, collection and disbursement of funds, payment of debts and fulfillment of obligations of the Company, and prosecuting, handling and settling any claims of the Company; (c) provide property acquisition and disposition services, research, economic and statistical data, and investment and financial advice to the Company; and (d) maintain appropriate legal, financial, tax, accounting and general business records of activities of the Company and render appropriate periodic reports to the Directors and

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 7. Related Party Transactions (continued)

stockholders of the Company and to regulatory agencies, including the Internal Revenue Service, the Securities and Exchange Commission, and similar state agencies.

The Advisory Agreement may be terminated (i) for cause upon not less than sixty days' written notice and (ii) by vote of at least 75% of the independent directors at the end of the third or fourth year of such five year term in the event gross assets fail to increase by 15% per annum.

Pursuant to the Advisory Agreement as in effect through December 31, 2001, CBRA was generally entitled to receive acquisition and disposition fees of 5% of the gross purchase price and 3% of the gross sales price, respectively.

CBRA had agreed to defer certain acquisition fees to which it may otherwise be entitled with respect to the possible acquisition by the Company or the Operating Partnership of certain properties owned by CBC and/or its affiliates. Further, CBRA has agreed to defer certain fees otherwise payable with respect to the sales in 2001 of the Operating Partnership's Corporate Center and Broadbent properties.

With respect to the sales of these two properties, the Operating Partnership paid to CBRA aggregate disposition fees of \$61,600, representing 1% of the sales prices. CBRA agreed with the Board of Directors and management to defer an additional 2% (aggregate \$143,200) to which it would otherwise be entitled pursuant to the terms of the agreement, which provided generally that the deferred amounts would be reduced and eventually eliminated if CBRA remained investment advisor to the Company beyond December 31, 2009.

On December 18, 2001 the Board of Directors approved an Amendment to the Administrative and Advisory Agreement, reflecting a reduction in acquisition and disposition fees payable to CBRA by the Company. Effective as of January 1, 2002, CBRA will earn a disposition or acquisition fee, as applicable, equal to 1% of the sale/purchase price; no other fees will be payable in connection with such transactions.

Pursuant to the Advisory Agreement CBRA was originally entitled to

receive an acquisition fee in the maximum amount of \$1,737,500 (5%) with respect to the acquisition of the three supermarket-anchored shopping centers and land parcel acquired on October 9, 2001. Initially, CBRA agreed to accept a cash fee in the amount of \$173,750 (one-half of 1%). As for the balance of the fee, CBRA had agreed to (1) waive a portion in the amount of \$868,750 (2.5%) and (2) defer a portion in the amount of \$696,000 (2%). Subsequently, with agreement of the Board of Directors, the cash fee portion paid to CBRA was increased to 1% (aggregate \$347,500), and the deferred portion was waived in its entirety by CBRA.

As a result of the amendment, it is expected that there will be no further deferrals or waivers of fees payable by the Company to CBRA.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 7. Related Party Transactions (continued)

The following is a schedule of fees payable by the Company to CBRA reflecting the impact of the amendment and the reduced fees related to the shopping centers:

<TABLE>
<CAPTION>

Property	Deferred	Paid	Total
-----	-----	-----	-----
<S>	<C>	<C>	<C>
2001 Transactions			
Broadbent Business Center	\$ 106,000	\$ 53,000	\$ 159,000
Corporate Center	37,200	18,600	55,800
The three supermarket-anchored shopping centers (2)	-	347,500	347,500
2000 Transaction			
Germantown	52,500	22,500	75,000
	-----	-----	-----
Total fees	\$ 195,700 (1)	\$ 441,600	\$ 637,300
	=====	=====	=====

</TABLE>

- (1) Amount owed if the Administrative and Advisory Agreement with CBRA is not continued beyond December 31, 2004.
(2) The three supermarket anchored shopping centers consist of Academy Plaza, Port Richmond Village and Washington Center (including development parcel adjacent to Washington Center).

As indicated above, deferred disposition and acquisition fees will be reduced by 50% if CBRA remains investment advisor to the Company for the period after December 31, 2004, but prior to December 31, 2005. In the event of termination or expiration of the Agreement after December 31, 2005, such fees payable to Advisor shall be reduced by 10 percentage points for each subsequent calendar year the Agreement remains in effect, until reduced to zero in any event after December 31, 2009. Any deferred disposition and acquisition fees payable to CBRA will also be waived as of the effective date of termination of services by CBRA if the services of CBRA are terminated voluntarily by CBRA.

Based on the above, it is probable that a liability has been incurred. However, the liability at this point can only be estimated to be in the range of zero and the full fee. There is no best estimate within the range. This reflects the fact that depending on how long CBRA's services are being used, the ultimate fee amount payable may well be zero. Accordingly, none of the deferred fees have been reflected in the accompanying financial statements.

In addition to acquisition and disposition fees payable to CBRA, CBRA also receives a monthly administrative and advisory fee equal to 1/12 of 3/4 of 1% of the estimated current value of real estate assets of the Company, plus 1/12 of 1/4 of 1% of the estimated current value of all other assets of the Company.

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CEDAR INCOME FUND, LTD.
Notes to Consolidated Financial Statements
December 31, 2001

Note 7. Related Party Transactions (continued)

Property Management Services

Brentway provides property management, leasing, construction management

and loan placement services to the Company's real properties pursuant to a Management Agreement entered into in April 1998 (the "Management Agreement"). Brentway is owned by Mr. Ullman and Ms. Walker, who are also Chairman and President of Brentway, respectively. Mr. Ullman is President and Chairman of the Company and Ms. Walker is Vice President and Director of the Company. The term of the Management Agreement is for one year and is automatically renewed annually for additional one-year periods subject to the right of either party to cancel the Management Agreement upon sixty days' written notice. Under the Management Agreement, Brentway is obligated to provide property management services, which include leasing and collection of rent, maintenance of books and records, establishment of bank accounts and payment of expenses, maintenance and operation of property, reporting and accounting for the Company regarding property operations, and maintenance of insurance. All of the duties of Brentway are to be fulfilled at the Company's expense, provided, however, that the Company is not required to reimburse Brentway for personnel expenses other than for on-site personnel at the properties managed. Brentway receives fees for its property management services as follows: a monthly management fee equal to 4% of the gross income for the four supermarket-anchored shopping centers, and 5% of the gross income for Southpoint (2.5% of which is paid to an unrelated party). Brentway also receives leasing fees of up to 6% of the rent to be paid during the term of the lease procured except in the case of the supermarket-anchored shopping centers, where leasing fees are limited to 4.5%. Construction management fees are 5% of the hard costs of construction. Loan placement fees are 1% of the amount financed, subject to a maximum fee of \$100,000 per transaction.

Leasing fees paid by the Company during this period were also paid to third parties. Brentway has subcontracted with a local management company for site management and leasing services for the Company's office property in Jacksonville, Florida.

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Schedule of Administrative and Advisory, Property Management, Leasing and Other Fees Paid to Related Parties:

<TABLE>

<CAPTION>

	Years ended December 31,		
	2001	2000	1999

<S>	<C>	<C>	<C>
Administrative and Advisory Fees			
Cedar Bay Realty Advisors, Inc.	\$ 163,404	\$ 97,872	\$ 97,872
HVB	(1) \$ -	\$ -	\$ 100,000

Property Management Fees			
AEGON	\$ -	\$ 9,118	\$ 18,705
Brentway	\$ 103,149	\$ 69,611	\$ 50,683

Construction Management Fees			
Brentway	(2) \$ 180,000	\$ 28,239	\$ -

Leasing Fees			
Brentway	\$ 135,354	\$ 44,063	\$ -

Legal Fees			
Stuart H. Widowski / SKR Management Corp.	(3) \$ 181,525	\$ 33,088	\$ 28,350

Loan Placement Fees			
Brentway	(4) \$ 100,000	\$ -	\$ -

</TABLE>

- (1) The fee paid to HVB Capital Markets, Inc. was for services rendered pursuant to a Financial Advisory Agreement terminated as of December 31, 1999. Jean Bernard Wurm, a Director of HVB, was also a Director of the Company prior to December 31, 1999.
- (2) Brentway was entitled to a construction management fee of 5% of the hard costs of construction (\$7,266,835). Brentway agreed on a fee of \$200,000 of which \$180,000 was paid in 2001.
- (3) Fees of \$181,525 were paid to Stuart H. Widowski, Esq., SKR in-house counsel and Secretary of the Company, through SKR, an affiliate of CBRA, Brentway, and Leo S. Ullman, for legal services provided. \$85,000 of such fee was attributable to the acquisition of the three supermarket-anchored shopping centers and negotiation of the corresponding SWH financing.
- (4) A placement fee of \$100,000 was paid to Brentway in 2001 for services rendered in obtaining a refinancing of The Point Associates, L.P.'s first mortgage loan.

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Note 8. Selected Quarterly Financial Data (Unaudited)

Selected Quarterly Financial Data

<TABLE>

<CAPTION>

Ended	Year	Quarter Ended				Year
		03/31/01	06/30/01	09/30/01	12/31/01	
12/31/01						
<S>	2001	<C>	<C>	<C>	<C>	<C>
Revenue		\$ 983,279	\$ 965,918	\$ 860,712	\$ 2,288,856	\$
5,098,765						
Net income (loss)		(8,631)	335,787	(26,800)	(448,071)	
(147,715)						
Basic and diluted net income per share		(0.01)	0.49	(0.04)	(0.65)	
(.21)						
	2000					
Revenue		\$ 696,440	\$ 600,838	\$ 965,963	\$ 952,540	\$
3,215,781						
Net income (loss)		63,575	(55,615)	(28,373)	8,330	
(12,083)						
Basic and diluted net income per share		0.07	(0.06)	(0.03)	0.01	
(0.01)						
	1999					
Revenue		\$ 660,226	\$ 675,946	\$ 605,307	\$ 573,808	\$
2,515,287						
Net income (loss)		37,356	19,522	7,733	(141)	
64,470						
Basic and diluted net income per share		0.07	0.04	0.01	(0.01)	
0.11						

</TABLE>

Item 9. Changes in, and Disagreements with Accountants on, Accounting and Financial Disclosure

None.

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Part III.

Item 10. Directors and Executive Officers of the Registrant

LEO S. ULLMAN, age 62, President and Chairman of the Board of Directors of the Company has been involved in real estate property and asset management for approximately twenty-four years. He has been Chairman and President of SKR Management Corp. and Chairman of Brentway Management LLC from 1994 through the current date, and President of Cedar Bay Realty Advisors, Inc. since the latter company's formation in January 1998. He is also President and sole director of a number of companies affiliated with CBC. Mr. Ullman was first elected as Chairman of the Company in April 1998 and served until November 1999. He was re-elected in December 2000. Mr. Ullman has been President of the Company from April 1998 to date. He has been a member of the New York Bar since 1966 and in private legal practice until 1998. From 1984 until 1993, he was a partner in the New York law firm, Reid & Priest, and served as initial director of its real estate group. From 1993 until the end of 1998, in addition to his real estate management affiliations, Mr. Ullman was "of counsel" to the New York office of the law firm Schnader Harrison Segal & Lewis, LLP.

JOHANNES A.M.H. DER KINDEREN, age 62, a Director of the Company since 1998 was the Director of Investments from 1984 through 1994 for Rabobank Pension Fund, and has been or is Chairman and/or a member of the Board of the following entities: Noord Amerika Real Estate B.V. (1995-present); Noord Amerika Vast Goed B.V. (1985-present); Mass Mutual Pierson (M.M.P.) (1988-1997); Warner Building Corporation (1996 to date). GIM Vastgoed (1998 to date); Fellion Investments B.V. (2001 to date); and N.V. Maatschappij voor Trustzaken Ameuro (from 2002 to date).

EVERETT B. MILLER, III, age 54, a Director of the Company since 1998, is currently the Senior Vice President and Chief Executive Officer of Common Fund Realty, Inc. a regulated investment advisor. Prior to that, starting in March 1997, Mr. Miller was the Senior Vice President and Chief Executive Officer of two finite REITs, Endowment Realty Investors and Endowment Realty Investors II. From January 1995 through March 1997, Mr. Miller was the Principal Investment Officer for Real Estate and Alternative Investment at the Office of the Treasurer of the State of Connecticut. Prior to that, Mr. Miller was employed for twenty years at Travelers Realty Investment Co., at which his last position was Senior Vice President.

BRENDA J. WALKER, age 49, has been Vice President and a Director of the Company since 1998 and Treasurer of the Company from April 1998 until November 1999: she has been President of Brentway Management LLC and Vice President of SKR Management Corp. from 1994 through the current date; Vice President of API Management Services Corp. and API Asset Management, Inc. from 1992 through 1995, and Vice President of CBRA from 1998 to date. Ms. Walker has been involved in real estate property and asset management for approximately twenty years.

JAMES J. BURNS, age 62, a Director of the Company since 2001, has been Chief Financial Officer and Senior Vice President, of Wellsford Real Properties, Inc. since December 2000. He joined Wellsford in October 1999 as Chief Accounting Officer upon his retirement from Ernst & Young in September 1999. At Ernst & Young, Mr. Burns was a senior audit partner in the E&Y Kenneth Leventhal Real Estate Group for 22 years. Mr. Burns also serves as a director of One Liberty Properties, Inc., a real estate investment trust. Mr. Burns is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

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Item 11. Compensation of Directors and Executives

The officers and directors of the Company who are affiliated with CBC and the former officers and directors of the Company who were affiliated with Uni-Invest Holdings (U.S.A.) B.V. do not/did not receive any direct remuneration for their services to the Company other than reimbursement of travel and other out of pocket expenses incurred in connection with their duties. Mr. Ullman and Ms. Walker receive remuneration from CBRA, Brentway and SKR, each of which receives fees from the Company. During 2001, directors not affiliated with CBC, Mr. Miller, Mr. der Kinderen and Mr. Burns, each received an annual fee of \$5,000 plus \$750 for each board meeting attended. Effective January 1, 2002, independent directors' fees shall be \$2,500 per quarter; meeting attendance fees shall be \$1,000 per regular Board meeting and \$250 per telephonic Audit Committee meeting.

The Company established a stock option plan (the "Plan") for the purpose of attracting and retaining executive officers, directors and other key employees. Five Hundred Thousand (500,000) of the Company's authorized shares of Common Stock have been reserved for issuance under the Plan. The Plan is administered by a committee of the Board of Directors, which committee will, among other things, select the number of shares subject to each grant, the vesting period for each grant and the exercise price (subject to applicable regulations with respect to incentive stock options) for the options.

On July 10, 2001, the Board of Directors of the Company granted to each then-current member of the Board (five members), options to purchase 10,000 shares of Common Stock of the Company at \$3.50 per share (the quoted price on the NASDAQ (Small Cap) Stock Market on that date). The options shall remain outstanding for a period of ten years from July 10, 2001. The options shall vest ratably 33.3% after one year of service commencing on July 10, 2001, and an additional 33.3% as of each of the next two following anniversary dates, provided, in each case, that the respective Director has remained a director of the Company for the entire one-year period preceding the respective date.

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Item 12. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Beneficial Owners

The following table sets forth information with respect to each person and group (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934) known by the Company to be the beneficial owner of more than 5% of the outstanding Shares of the Company as of March 20, 2002. Each such owner has sole voting and investment powers with respect to the shares owned by such person.

<TABLE>
<CAPTION>

Name and Address -----	Number of Shares Beneficially Owned -----	Percent of Class -----
<S> Cedar Bay Company c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050	<C> 1,893,037(1)	<C> 79%
Homburg Invest Inc. 200 - 11 Akerley Boulevard Halifax, Nova Scotia Canada B3B 1V7	150,000	21.7%

</TABLE>

Security Ownership of Management

The following table sets forth the number of shares of Common Stock

beneficially owned as of March 20, 2002, by each Director and officer and by all Directors and executive officers as a group (5 persons).(1)

<TABLE>

<CAPTION>

Name -----	Amount and Nature of Beneficial Ownership -----	Percent of Class -----
<S>	<C>	<C>
Leo S. Ullman	1,895,437(1) (2) (3)	79%
J.A.M.H. der kinderen	200(2)	0
Everett B. Miller III	200(2)	0
Brenda J. Walker	300(2)	0
James J. Burns		0
Directors and Executive Officers as a group (5 persons)	(2)	0

</TABLE>

- (1) Represents 189,737 shares of Common Stock and 1,703,300 units convertible into shares of Common Stock owned by Cedar Bay Company plus 2,400 shares owned personally.
- (2) Excludes options to purchase 10,000 shares of common stock granted to each of the Company's five directors.
- (3) Mr. Ullman may be deemed to be the beneficial owner of all the shares of Common Stock and Units owned by Cedar Bay Company. Mr. Ullman disclaims beneficial ownership of such securities.

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Section 16(a) Beneficial Reporting Compliance

The Company believes that during 2001 all of its officers, Directors and holders of more than 10% of its Common Stock complied with all filing requirements under Section 16(a) of the Securities Exchange Act of 1934, except that each of the five directors failed to file in a timely manner a Form 5 reporting on the grant of stock options during 2001.

Item 13. Certain Relationships and Related Party Transactions

The Company does not have any employees and has contracted with CBRA to provide administrative, advisory, acquisition and divestiture services to the Company pursuant to an Administrative and Advisory Agreement (the "Advisory Agreement") entered into in April 1998, and amended as of August 21, 2000 and January 1, 2002. CBRA is wholly-owned by Leo S. Ullman. Mr. Ullman is President and sole director of, and Brenda J. Walker is Vice President of, CBRA. Mr. Ullman is President and Chairman of the Company. Ms. Walker is Vice President and a Director of the Company. The term of the amended Advisory Agreement commenced as of August 21, 2000, and is for five (5) years, automatically renewed annually thereafter for additional 1-year periods, subject to the right of a majority of independent directors to cancel the Advisory Agreement upon sixty (60) days' written notice.

Further, such Advisory Agreement may be terminated (i) for cause upon not less than sixty (60) days written notice and (ii) by vote of at least 75% of the independent directors at the end of the third or fourth year of such five-year term in the event gross assets fail to increase by 15% per annum.

CBC, which owns approximately 79% of the aggregate of shares and Units, is a New York general partnership. CBC is owned 55% by Duncomb Corp., 40% by Lindsay Management Corp. and 5% by Hicks Corp. Mr. Ullman is an executive officer and a director of each of those corporations. CBC is an affiliate of the limited partner in The Point Associates. Mr. Ullman is an executive officer and director of that entity, but disclaims any beneficial ownership.

CBRA is wholly-owned by Leo S. Ullman. Mr. Ullman is President and sole director of, and Brenda J. Walker is Vice President of, CBRA.

Brentway is owned by Mr. Ullman and Ms. Walker. Mr. Ullman is Chairman and Ms. Walker is President of Brentway. Brentway provides property management, leasing, construction management and loan placement services to the Company.

SKR is wholly-owned by Mr. Ullman. Mr. Widowski through SKR provides certain legal services to the Company and its properties at rates which the Company believes to be less than those prevailing in the market.

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Advisory Services

Under the Advisory Agreement, CBRA is obligated to: (a) provide office space and equipment, personnel and general office services necessary to conduct the day-to-day operations of the Company; (b) select, and

conduct relations with accountants (subject to audit committee approval), attorneys', brokers, banks and other lenders, and such other parties as may be considered necessary in connection with the Company's business and investment activities, including, but not limited to, obtaining services required in the acquisition, management and disposition of investments, collection and disbursement of funds, payment of debts and fulfillment of obligations of the Company, and prosecuting, handling and settling any claims of the Company; (c) provide property acquisition and disposition services, research, economic and statistical data, and investment and financial advice to the Company; and (d) maintain appropriate legal, financial, tax accounting and general business records of activities of the Company and render appropriate periodic reports to the Directors and stockholders of the Company and to regulatory agencies, including the Internal Revenue Service, the Securities and Exchange Commission, and similar state agencies.

CBRA has agreed to defer certain acquisition fees to which it may otherwise be entitled with respect to the possible acquisition by the Company or the Operating Partnership of certain properties owned by CBC and/or its affiliates. Further, CBRA has agreed to defer certain fees otherwise payable with respect to the sales in 2001 of Corporate Center and Broadbent.

With respect to the sales of these two properties, the Operating Partnership paid to CBRA aggregate disposition fees of \$61,600, representing 1% of the sales prices. CBRA agreed with the Board of Directors and management to defer an additional 2% (aggregate \$143,200) to which it would otherwise be entitled pursuant to the terms of the Administrative and Advisory Agreement, which provide generally that the deferred amounts are reduced and eventually eliminated if CBRA remains investment advisor to the Company beyond December 31, 2009.

On December 18, 2001 the Board of Directors approved an Amendment to the Administrative and Advisory Agreement, reflecting a reduction in acquisition and disposition fees payable to CBRA by the Company, effective as of January 1, 2002, CBRA will earn a disposition or acquisition fee, as applicable, equal to 1% of the sale/purchase price; no other fees will be payable in connection with such transactions.

Pursuant to the Advisory Agreement CBRA was originally entitled to receive an acquisition fee in the maximum amount of \$1,737,500 (5%) with respect to the acquisition of the three supermarket-anchored shopping centers and land parcel acquired on October 9, 2001. Initially, CBRA agreed to accept a cash fee in the amount of \$173,750 (one-half of 1%). As for the balance of the fee, CBRA had agreed to (1) waive a portion in the amount of \$868,750 (2.5%) and (2) defer a portion in the amount of \$696,000 (2%). Subsequently, with agreement of the Board of Directors, the cash fee portion paid to CBRA was increased to 1% (aggregate \$347,500), and the deferred portion was waived in its entirety by CBRA.

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Advisory Services (continued)

As a result of the amendment, it is expected that there will be no further deferrals or waivers of fees payable by the Company to CBRA.

The following is a schedule of fees payable by the Company to CBRA reflecting the amendment to the Administrative and Advisory Agreement and the reduction in fees described above:

<TABLE>
<CAPTION>

Property	Deferred	Paid	Total
<S>	<C>	<C>	<C>
2001 Transactions			
Broadbent	\$ 106,000	\$ 53,000	\$ 159,000
Corporate Center	37,200	18,600	55,800
The three supermarket-anchored shopping centers (1)	-	347,500	347,500
2000 Transaction			
Germantown	52,500	22,500	75,000
Total fees	\$ 195,700 (2)	\$ 441,600	\$ 637,300

</TABLE>

(1) The three supermarket anchored shopping centers consist of Academy Plaza, Port Richmond Village and Washington Center (including the Greentree Road development parcel).

(2) Amount owed if the Administrative and Advisory Agreement with CBRA is not continued beyond December 31, 2004.

As indicated above, deferred disposition and acquisition fees will be reduced by 50% if CBRA remains investment advisor to the Company for the period after December 31, 2004, but prior to December 31, 2005. In the event of expiration or termination of the Agreement after December 31, 2005, such fees payable to Advisor shall be reduced by 10 percentage points for each subsequent calendar year the Agreement remains in effect, until reduced to zero in the event of expiration or termination after December 31, 2009. Any deferred disposition and acquisition fees payable to CBRA will also be waived as of the effective date of termination of services by CBRA if the services of CBRA are terminated voluntarily by CBRA.

Based on the above it is probable that a liability has been incurred. However, the liability at this point can only be estimated to be in the range of zero and the full fee; there is no best estimate within the range. This reflects the fact that depending on how long CBRA's services are being used, the ultimate fee amount payable may well be zero. Accordingly, none of the deferred fees have been reflected in the Company's financial statements.

In addition to acquisition and disposition fees payable to CBRA, CBRA also receives a monthly administrative and advisory fee equal to 1/12 of 3/4 of 1% of the estimated current value of real estate assets of the Company, plus 1/12 of 1/4 of 1% of the estimated current value of all other assets of the Company.

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Property Management Services

Brentway provides property management, leasing, construction management and loan placement services to the Company's real properties pursuant to a Management Agreement entered into in April 1998 (the "Management Agreement"). Brentway is owned by Mr. Ullman and Ms. Walker, who are also Chairman and President of Brentway, respectively. Mr. Ullman is President and Chairman of the Company and Ms. Walker is Vice President and Director of the Company. The term of the Management Agreement is for one year and is automatically renewed annually for additional one-year periods subject to the right of either party to cancel the Management Agreement upon sixty days' written notice. Under the Management Agreement, Brentway is obligated to provide property management services, which include leasing and collection of rent, maintenance of books and records, establishment of bank accounts and payment of expenses, maintenance and operation of property, reporting and accounting for the Company regarding property operations, and maintenance of insurance. All of the duties of Brentway are to be fulfilled at the Company's expense, provided, however, that the Company is not required to reimburse Brentway for personnel expenses other than for on-site personnel at the properties managed. Brentway receives fees for its property management services as follows: a monthly management fee equal to 4% of the gross income for the shopping centers, and 5% of the gross income for Southpoint (2.5% of which is paid to an unrelated party). Brentway also receives leasing fees of up to 6% of the rent to be paid during the term of the lease procured except in the case of the shopping centers, where leasing fees are limited to 4.5%. Construction management fees are 5% of the hard costs of construction. Loan placement fees are 1% of the amount financed, subject to a maximum fee of \$100,000 per transaction.

Leasing fees paid by the Company during this period were also paid to third parties. Brentway has subcontracted with a local management company for site management and leasing services for the Company's office property in Jacksonville, Florida.

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Schedule of Administrative and Advisory, Property Management, Leasing and Other Fees Paid to Related Parties as follows:
<TABLE>
<CAPTION>

	Years ended December 31,		
	2001	2000	1999
<S>	<C>	<C>	<C>
Administrative and Advisory Fees			
Cedar Bay Realty Advisors, Inc.	\$ 163,404	\$ 97,872	\$ 97,872
HVB	(1) \$ -	\$ -	\$ 100,000
Property Management Fees			
AEGON	\$ -	\$ 9,118	\$ 18,705
Brentway	\$ 103,149	\$ 69,611	\$ 50,683
Construction Management Fees			
Brentway	(2) \$ 180,000	\$ 28,239	\$ -
Leasing Fees			
Brentway	\$ 135,354	\$ 44,063	\$ -

Legal Fees				
Stuart H. Widowski / SKR Management Corp.	(3)	\$ 181,525	\$ 33,088	\$ 28,350
Loan Placement Fees				
Brentway	(4)	\$ 100,000	\$ -	\$ -

</TABLE>

- (1) The fee paid to HVB Capital Markets, Inc. was for services rendered pursuant to a Financial Advisory Agreement terminated as of December 31, 1999. Jean Bernard Wurm, a Director of HVB, was also a Director of the Company prior to December 31, 1999.
- (2) Brentway was entitled to a construction management fee of 5% of the hard costs of construction (\$7,266,835). Brentway agreed on a fee of \$200,000 of which \$180,000 was paid in 2001.
- (3) Fees of \$181,525 were paid to Stuart H. Widowski, Esq., SKR in-house counsel and Secretary of the Company, through SKR, an affiliate of CBRA, Brentway, and Leo S. Ullman, for legal services provided. \$85,000 of such fee was attributable to the acquisition of the three supermarket-anchored shopping centers and negotiation of the corresponding SWH financing.
- (4) A placement fee of \$100,000 was paid to Brentway in 2001 for services rendered in obtaining a refinancing of The Point Associates, L.P.'s first mortgage loan.

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The Company has entered into an agreement to purchase, from affiliates of CBC a 20% interest as managing general partner in API Red Lion Associates, L.P., ("Red Lion") a Pennsylvania limited partnership which owns the Red Lion Shopping Center in Philadelphia, Pennsylvania. That center is a community strip center of approximately 218,000 rentable sq. ft. on approximately 18.72 acres of land located at the intersection of Route 1 (Roosevelt Boulevard) and Red Lion Road. It is anchored by Best Buys, Sports Authority, Staples and Pep Boys. The purchase arrangements contemplate a valuation of \$23 million for the property, which is encumbered by a first mortgage of approximately \$16.8 million at 8.86% due in February 2010. A sixty-nine percent limited partnership interest in the partnership will be sold simultaneously to a newly-formed limited liability company owned by third parties at the same valuation. An affiliate of CBC will continue to own an 11% limited partnership interest and will master-lease certain presently vacant store premises aggregating approximately 50,000 sq. ft. at rentals of \$11.50; further it will fund a reserve deposit of \$1.5 million for such purposes. The valuation is supported by an MAI appraisal at a higher value. Mr. Ullman presently owns an 8% limited partnership interest in Red Lion, it is contemplated that Mr. Ullman's entire interest will be sold as part of the transaction described above. The net proceeds of such sale by Mr. Ullman are expected to be paid to such affiliate of CBC in repayment of a loan to Mr. Ullman to purchase such interest in the property. The purchase agreement is subject to receipt by the Board of Directors of a "fairness" opinion from a reputable independent investment banking firm.

The Company will purchase its 20% interest in API Red Lion Associates for \$1.2 million payable in four equal annual installments of \$300,000 with interest at 7.5%. The Company expects to fund those payments out of available cash or cash flow.

On or about January 18, 2002, Homburg Invest Inc., a Canadian corporation listed on the Toronto Stock Exchange, acquired from Richard Homburg, a Canadian national, and/or affiliated persons, 150,000 shares of the Company (approximately 21.7%). As the Articles and By-Laws of the Company prohibit acquisition of more than 3.5% of the stock of the Company without consent of the Board of Directors, the Company, Homburg Invest Inc. and Richard Homburg entered into a certain "standstill" agreement pursuant to which Homburg Invest Inc., Mr. Homburg and their respective affiliates have agreed not to purchase more than 29.9% of the stock of the Company in the aggregate for a period of five (5) years, not to commence or support a "hostile" tender offer during that period, and to vote for certain directors of the Company. The Company has agreed to support the election of a designee of Homburg Invest Inc. to its Board of Directors. The first designee is expected to be Mr. Frank Matheson and Mr. Matheson is expected to be appointed as of April 1, 2002 by the Board of the Company to fill a vacancy on the Board pending election to a full term by the shareholders at the next annual meeting of shareholders.

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Part IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

- (a) 1. and 2. The response to this portion of Item 14 is submitted as a separate section of this report.

3. Exhibits

- (3.1) Articles of Incorporation of the Company. Incorporated by reference to Exhibit 3.1 to Form 10-K for the year ended 1998 ("1998 10-K").
- (3.2) By-laws of the Company. Incorporated by reference to Exhibit 3.2 to Form 10-K for the year ended 1998 ("1998 10-K").
- (3.3) Agreement of Limited Partnership for the Operating Partnership. Incorporated by reference to Exhibit 3.3 to Form 10-K for the year ended 1998 ("1998 10-K").
- (10.1) Administrative and Advisory Agreement dated April 2, 1998 between Cedar Bay Realty Advisors, Inc. and the Company. Incorporated by reference Exhibit 3.4 to Form 10-K for the year ended 1998 ("1998 10-K").
- (10.2) Management Agreement dated April 2, 1998 between Brentway Management LLC and the Company. Incorporated by reference Exhibit 3.5 to Form 10-K for the year ended 1998 ("1998 10-K").
- (10.3) Assignment of Administrative and Advisory Agreement dated April 30, 1999, between Cedar Income Fund, Ltd. and Cedar Income Fund Partnership, L.P.; Amendment of Administrative and Advisory Agreement dated August 21, 2000, between Cedar Income Fund Partnership, L.P. and Cedar Bay Realty Advisors, Inc.; Second Amendment of Administrative and Advisory Agreement dated August 21, 2000, between Cedar Income Fund Partnership, L.P. and Cedar Bay Realty Advisors, Inc.; and Third Amendment of the Administrative and Advisory Agreement dated as of January 1, 2002, between Cedar Income Fund Partnership, L.P. and Cedar Bay Realty Advisors, Inc.
- (10.4) Standstill Agreement between Homburg Invest Inc., Richard Homburg and the Company dated January 18, 2002.
- (10.5) For the sale of Southpoint Parkway, Jacksonville, Florida, Real Estate Purchase and Sale Agreement by and between Cedar Income Fund Partnership, L.P. and Southpoint Parkway Center, L.C. dated February 1, 2002; Addendum Number One by and between Cedar Income Fund Partnership, L.P. and Southpoint Parkway Center, L.C.
- (21) Listing of the Company's subsidiaries.

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- (b) Reports on Form 8-K. Report on Form 8-K filed on October 24, 2001, reporting on an event listed under Item 2. Report on Form 8-K/A filed on November 14, 2001, reporting on an event listed under Items 2 and 7.
- (c) Exhibits The response to this portion of Item 14 is submitted in a separate section of this report.
- (d) Financial Statement Schedules The response to this portion of Item 14 is submitted in a separate section of this report

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Item 15.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CEDAR INCOME FUND, LTD.

/s/ Leo S. Ullman

 Leo S. Ullman
 President and Chairman
 (principal executive officer)

/s/ Brenda J. Walker

 Brenda J. Walker
 Vice President and Director
 (principal financial officer)

/s/ Ann Maneri

Ann Maneri
Controller
(principal accounting officer)

_____, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and as of the date indicated.

/s/ J.A.M.H. der Kinderen

J.A.M.H. der Kinderen
Director

/s/ James J. Burns

James J. Burns
Director

Everett B. Miller, III
Director

_____, 2002

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EXHIBIT INDEX

Exhibit Item -----	Title or Description -----
(3.1)	Articles of Incorporation of the Company. Incorporated by reference to Exhibit 3.1 to Form 10-K for the year ended 1998 ("1998 10-K").
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(10.6)	Agreement of Sale between Washington Centre Shops, L.P., Port Richmond Associates, LLC, Academy Stores, L.P. and Greentree Road Land, Inc., as seller, and Cedar Income Fund Partnership, L.P., as Purchaser. Incorporated by reference to Form 8-K filed October 24, 2001.
(21)	Listing of the Company's subsidiaries.

ASSIGNMENT OF ADMINISTRATIVE AND ADVISORY AGREEMENT

This Assignment of Administrative and Advisory Agreement ("Assignment") made as of April 30, 1999 by and between CEDAR INCOME FUND, LTD., a Maryland corporation ("Assignor") and CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Assignee").

BACKGROUND

(a) Assignor has entered into an Administrative and Advisory Agreement ("Agreement") dated as of April 2, 1998 with Cedar Bay Realty Advisors, Inc., a New York corporation ("Advisor") with respect to day-to-day administrative functions.

(b) Assignor has sold substantially all of its assets to Assignee, a limited partnership of which Assignor is the general partner.

(c) Assignor desires to assign its rights and obligations under the Agreement to Assignee and Assignee desires to assume such rights and obligations.

NOW, THEREFORE, in consideration of the agreements and covenants herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Assignor and Assignee agree as follows:

(1) Assignor hereby assigns to Assignee all of its right, title and interest to the Agreement.

(2) Assignee hereby assumes all of the duties and obligations under the Agreement.

(3) All references to operation as a Real Estate Investment Trust ("REIT"), compliance with rules and regulations applicable to REITs, election of directors, appointment of officers and action by directors, officers or shareholders, shall continue to refer to Assignor.

(4) This agreement contains the entire understanding of the parties with respect to the subject matter contained herein and there are no other understandings or undertakings related to such matters. This agreement may be modified only by a written agreement signed by all parties.

(5) This agreement shall be governed by and construed in accordance with the laws of the State of New York.

Page 1 of 2

Assignment of Administrative and Advisory Agreement

Page 2 of 2

ASSIGNOR:
CEDAR INCOME FUND, LTD.

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

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

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

The foregoing Assignment is hereby consented to:

CEDAR BAY REALTY ADVISORS, INC.

By: _____

Name: Brenda J. Walker
Title: Vice President

AGREEMENT

THIS AGREEMENT dated this 18th day January, 2002.

Between:

Richard Homburg, residing at NL ("Homburg") and Homburg Invest Inc., a corporation organized and existing under the laws of the province of Alberta, Canada, with offices at 11 Akerley Boulevard, Dartmouth, Nova Scotia, Canada, B3B 1J7 ("HII"), (together sometimes referred to herein as "shareholder")

- and -

Cedar Income Fund, Ltd., a Maryland corporation, with offices at 44 South Bayles Avenue, Port Washington, NY 11050 (hereinafter referred to as "CIF");

WITNESSETH:

WHEREAS, HII has acquired by purchase from Homburg or an entity or entities controlled by Homburg, 150,000 shares of Common Stock of CIF;

WHEREAS, the Articles of Incorporation of CIF prohibit the purchase of more than 3.5% of the stock of CIF without approval of CIF's Board of Directors;

WHEREAS, CIF is a real estate investment trust, qualified as such under the applicable provisions of the Internal Revenue Code and would lose its qualification as a real estate investment trust in the event that five or fewer (individual) shareholders own in the aggregate, directly or indirectly, more than 50% of its stock;

WHEREAS, CIF is a corporation whose shares are listed on the NASDAQ (Small Cap) Stock Market and is subject to the applicable provisions of the Securities Act, the Securities and Exchange Act and the rules and regulations promulgated by the Securities and Exchange Commission and NASDAQ, and shareholder will be required to effect certain filings pursuant to those laws, rules and regulations with respect to the purchase of a substantial ownership interest;

WHEREAS, CIF believes it to be in its best interests and in the best interest of its shareholders to avoid a possible adverse holding or change of control involving a foreign shareholder whose interests may or may not coincide with those of CIF and its shareholders;

WHEREAS, CIF wishes to limit any sale of stock of CIF held by HII to avoid undue harm to shareholders and CIF or undue disruption of trading in CIF's stock; and

WHEREAS, Shareholder wishes to establish a long-term positive relationship with CIF, its directors and its management, and has agreed to enter into certain "standstill" arrangements pursuant to which it will undertake, among other things, to acquire no substantial additional stock of CIF or to sell or otherwise dispose of its stock without approval of its Board of Directors (which consent will not be arbitrarily withheld);

NOW, THEREFORE, the parties hereto hereby, for good and valuable consideration, the receipt of which is hereby acknowledged, have entered into this Agreement.

1. Restriction on Certain Actions. During the term of this Agreement, Shareholder, without the prior consent of CIF's Board of Directors, will not, nor will he or it permit any affiliate (as such term is defined in Rule 12b-2 of Regulation 12B under the Securities Exchange Act of 1934, as amended, (the "Act")) of Shareholder, to:

(1) acquire (other than through stock splits or stock dividends), directly or indirectly or in conjunction with or through any other person, by purchase or otherwise, beneficial ownership of any additional Shares or any other securities of CIF entitled to vote generally for the election of directors ("Voting Securities"), if such acquisition would cause Shareholder and his or its affiliates, directly or indirectly to own in the aggregate more than 29.9% of all Voting Securities outstanding. Notwithstanding the provisions of the preceding sentence, if the number of outstanding Voting Securities is reduced for any reason, whether by repurchases by CIF or otherwise, Shareholder will not be required to dispose of any of his holdings of Voting Securities even if such reduction in outstanding shares would result in Shareholder's ownership exceeding 29.9% of the outstanding Voting Securities;

(b) directly or indirectly or through any other person, solicit proxies with

respect to Voting Securities under any circumstance; or become a "participant" in any "election contest" relating to the election of directors of CIF (as such terms are used in Rule 14a-11 of Regulation 14A under the Act);

- (c) deposit any Voting Securities in a voting trust, or subject any Voting Securities to a voting or similar agreement;
- (d) directly or indirectly or through or in conjunction with any other person, engage in a tender or exchange offer for CIF's Voting Securities made by any other person or entity without the prior written approval of CIF, which approval will not be arbitrarily withheld, or engage in any proxy solicitation or any other activity with any other person or entity relating to CIF without the prior approval of CIF;
- (e) take any action alone or in concert with any other person to acquire or change the control of CIF or, directly or indirectly, participate in, or encourage the formation of, any group seeking to obtain or take control of CIF, or;
- (f) sell, transfer, pledge or otherwise dispose of or encumber any Voting Securities except (i) as set forth in Section 2 hereof, (ii) by operation of law, provided that the transferee agrees to be bound by all the provisions of this Agreement.

2. Sale of Voting Securities. During the term of this Agreement, Shareholder may sell all or part of his or its holding of Voting Securities as follows:

- (a) in accordance with the volume limitations of Rule 144 under the Securities Act of 1933, as amended, in unsolicited brokerage transactions effected on a national securities exchange or in the over-the-counter market; or
- (b) otherwise through a broker-dealer, provided that not more than 30,000 of such securities are placed with any one person or group. Shareholders shall give CIF prior written notice of any proposed sale pursuant to this paragraph. If sales are to be made pursuant to Subdivision (a) or (b) above, they shall be made in accordance with Rule 144 if applicable and in such a manner as to effect as wide a distribution of the Voting Securities as reasonably practicable.

3. Voting of Voting Securities. During the term of this Agreement,

- (a) Shareholder shall vote all Voting Securities owned by him or his affiliates on any matters proposed by the Board of Directors and presented to CIF's stockholders; provided, however, that Shareholder shall not vote any Voting Securities owned by him or it or their respective affiliates in favour of nominees for directors of CIF if such nominees have not been nominated by the Board of Directors.
- (b) Shareholder and his or its affiliates shall cause their Voting Securities to be duly represented, in person or by proxy, at each meeting of stockholders of CIF duly called by the Board of Directors.

4. Term. Subject to the provisions of Section 5 hereof, the term of this Agreement shall be for a period of 5 years commencing on the date hereof;

5. Termination of Restrictions. The restrictions on sale contained in Sections 1(f) and 2 hereof shall terminate in any of the following events:

- (a) a person or group of persons unaffiliated with Shareholder shall make an offer to purchase a number of shares of Common Stock or other Voting Securities which would entitle such person or persons to vote a majority of the Voting Securities of CIF and a majority of the members of the Board of Directors of CIF does not oppose such offer to recommend against acceptance thereof by the shareholders of CIF; or
- (b) CIF shall enter into an agreement with any party providing for an offer to be made to purchase shares of Common Stock of CIF and a majority of the Board of Directors approves or recommends acceptance of such tender offer; or
- (c) CIF enters into an agreement calling for the merger or consolidation of CIF with or into any other corporation in which CIF shall not be the survivor or in which CIF's outstanding capital stock shall be converted into cash or other property and notice of a meeting of shareholders called for approval of such merger agreement shall be given; provided, however, that Shareholder shall not thereafter effect any sale or disposition of Voting Securities in such manner as to materially change the terms of the proposed merger; or
- (d) there shall occur the election or appointment to the Board of Directors of CIF at any time or from time to time of a number of persons equal to or greater than a majority of the number of members of the Board of Directors of CIF in opposition to nominees of the Board of Directors of CIF or

without the approval or consent of the majority of the Board of Directors of CIF;

6. Legend and Stop Transfer Order.

(a) Shareholder agrees:

- (i) to the placement of the following legend on each certificate representing Voting Securities owned by Shareholder of any affiliate:

"The shares evidenced by this certificate are subject to, and may be sold, transferred or otherwise disposed of only upon compliance with, the terms and the provisions of a certain Agreement by between Richard Homburg, Homburg Invest Inc. and Cedar Income Fund, Ltd., a copy of which is on file and may be examined at the office of the Secretary of Cedar Income Fund, Ltd."

- (ii) That CIF may give stop transfer orders to its transfer agent with respect to the Shares.

- (b) the transfer of any Voting Securities which are sold in contravention of the provisions of this Agreement shall not be registered on the books of CIF, and no person to whom any such sale is made shall be recognized as the holder of such Voting Securities or acquire any voting, dividend or other rights in respect hereof.

- (c) At any time after the termination of this Agreement and, during the term of this Agreement, so long as Shareholder is not in default hereunder, Shareholder may submit certificates bearing the legend set forth in (a) above to the Company's transfer agent and CIF agrees to have such transfer agent promptly exchange such certificates for new certificates without any legend. If the Shareholder has the right to have the legend removed from the certificate following the sale of the Shares represented thereby, CIF agrees to have its transfer agent promptly issue a new certificate to the purchaser without any legend thereon.

7. Directors. CIF agree that during the term of this Agreement, Shareholder shall be entitled to have a nominee of its choice to sit as a Director of CIF.

8. Miscellaneous

- (a) Successors and Assigns. This Agreement shall be binding upon and shall enure to the benefit of and be enforceable by the successors and assigns, and transferees by operation of law, of the parties hereto or otherwise bound hereby, whether or not any such person is a party hereto. Except as otherwise expressly provided for herein, this Agreement shall not enure to the benefit of, be enforceable by or create any right or cause or action in any person, including without limitation any stockholder of CIF, other than the parties hereto.
- (b) Amendments. This agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by the parties hereto. However, a party may waive in writing any condition to the obligations of another party hereunder.
- (c) Notices. All notices hereunder shall be given as set forth in the Stock Purchase Agreement between CIF and the Shareholder.
- (d) Governing Law. This Agreement shall be governed by and construed in accordance with the internal law of the State of New York without giving effect to the principles of conflicts of laws thereof.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement on the date first above written.

WITNESS:

HOMBURG INVEST INC.

By: /s/ Richard Homburg

Name: Richard Homburg
Title: CEO & Chairman

/s/ Richard Homburg

CEDAR INCOME FUND, LTD.

By: /s/ Leo S. Ullman

Name: Leo S. Ullman

Title: President

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (the "Agreement") is made as of this 1st day of February, 2002 (the "Effective Date"), by and between CEDAR INCOME FUND PARTNERSHIP, L.P. ("Seller") and SOUTHPOINT PARKWAY CENTER, L.C., a Florida limited liability company corporation ("Purchaser").

WHEREAS, Seller is the owner of fee simple title to approximately 11.73 gross acres (+/-) of real property located in Duval County, Florida, generally described on Exhibit "A" attached hereto and made a part hereof (the "Land"); and

WHEREAS, Seller desires to sell and Purchaser desires to purchase the Land, together with the following: (a) the buildings and all other improvements located on the Land (the "Improvements"); (b) any appurtenances, rights, rights-of-way, easements, portions of any streets, ways, alleys, passages, gores of land, licenses and privileges belonging or appurtenant thereto; (c) Seller's interest in all rights to the development of the real property granted by each of the governmental entities having jurisdiction over the real property, including, without limitation, Seller's interest in any licenses, permits, approvals, dedications, concurrency certificates, certificates of occupancy, warranties, contract rights or rights to develop as may be required or necessary to permit the development of the Land by Purchaser and all trade names and logos used by Seller to identify the Property; (d) Seller's interest in any surveys, maps, studies, reports, or other written or electronically stored information in Seller's possession or control in connection with the ownership, permitting, or development of the Land; (e) all the personal property owned by Seller, if any, located upon the Land and the Improvements and used exclusively in connection with the operation thereof (the "Personal Property"); and (f) all of the Seller's right, title and interest as landlord under any leases or other occupancy agreements for any portion of the Property (the "Leases") (the Land together with the foregoing real property, development rights, and permits, and all other rights and appurtenances being referred to herein as the "Property").

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Sale. Seller has agreed and does hereby agree to sell and convey unto Purchaser, and Purchaser has agreed and does hereby agree to purchase the Property from Seller, together with all and singular the rights and appurtenances pertaining thereto, including any right, title and interest of Seller in and to adjacent streets, roads, alleys or rights-of-way, and such access and utility easements as are hereinafter described.

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2. Purchase Price. Subject to credits, adjustments and prorations, the total purchase price (the "Purchase Price") to be paid to Seller by Purchaser for the Property is Four Million Seven Hundred Thousand and No/100 Dollars (\$4,700,000.00) payable as follows:

(a) Initial Deposit. On the Effective Date, Purchaser shall deposit the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) (the "Initial Deposit" or "Deposit") with Sturt H. Widowski, Esq., as Escrow Agent, Cedar Bay Realty Advisors, Inc., 44 South Bayles Avenue, Suite 304, Port Washington, NY 11050 (the "Escrow Agent").

(b) Cash Payment. On the Closing Date, the Purchaser shall pay the remainder of the Purchase Price to the Seller, of which the Deposit given hereunder shall constitute a part (increased or diminished by prorations and adjustments provided for herein) by confirmed wire transfer.

3. Title and Survey Matters. (a) Condition of Title. At Closing, Seller shall convey good and marketable fee simple title to the Property to Purchaser by means of a Special Warranty Deed (the "Deed") in recordable form conveying the Property to Purchaser free and clear of all covenants, conditions, claims, liens, restrictions, leases, homestead rights and encumbrances except for the following items (the "Permitted Encumbrances"): (i) real property taxes for the year of closing and subsequent years (subject, however, to adjustments pursuant to Section 8(b) hereof); and (ii) those items approved by Purchaser pursuant to Section 3(d) hereof; and (iii) those items listed on Exhibit F; and (iv) all conditions disclosed on the existing survey dated May 2, 2000 and (v) the Leases, as hereinafter defined.

(b) Preliminary Title Report. Within ten (10) days after the Effective Date of this Agreement, Seller, at Seller's expense, shall obtain and deliver to Purchaser a title insurance commitment for the Property (the "Commitment") from

Chicago Title Insurance Company and issued by New York Land Services, Inc., 630 Third Avenue, 5th Floor, New York, NY 10017, as the title agent ("Title Agent"), dated subsequent to the Effective Date of this Agreement, together with copies of all title exceptions shown thereon. The Commitment shall show title to the Property to be held by Seller and to be good and marketable, together with legible copies of all recorded instruments referred to therein, in an amount equal to the Purchase Price and subject only to the standard exceptions described as such on Exhibit F ((a) - (f) of which shall be deleted at Closing), the Permitted Encumbrances, and any other exceptions shown on the Commitment to which Purchaser has not objected within the time provided in Section 3(d) hereof.

(c) Survey. Within twenty (20) days after the Effective Date of this Agreement, Seller shall deliver to Purchaser an updated survey (the "Survey") of the Property by a licensed surveyor of the State of Florida. The Survey must be acceptable

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to the Purchaser, acting reasonably, and shall be certified in favor of the Purchaser, the Seller, any lender, the title agent, and the Title Company. Upon acceptance of the Survey, the legal description therein shall be substituted as the description of the Property for the purposes of this Agreement. If the legal description has changed, then the Seller shall have the title agent endorse the Commitment accordingly. The Survey shall locate all locatable easements affecting the Property, alleys, streets, rights of way, utility easements, improvements and other manmade objects which are located upon the Property, and shall certify as to whether the Property lies within a special flood hazard zone as determined by the United States Department of Housing and Urban Development. If the Property lies within a flood zone, the certification shall state the flood zone. The Survey shall be dated and signed by a registered and/or licensed land surveyor in the state of Florida. The surveyor's seal shall be affixed to the Survey. The surveyor's registration and/or license number shall be indicated thereon and the metes and bounds legal description of the Property shall be set forth on the Survey. Any other survey requirements in the Commitment shall also be complied with by the surveyor so as to enable the Title Company or the Title Company's agent to delete the standard "survey" exception from the Commitment and title policy. Purchaser agrees that the format of the existing survey satisfies each of the foregoing requirements. Purchaser shall accept the existing May 2, 2000 survey in lieu of an updated survey if the Title Company deletes the standard "survey" exception from the Title Commitment/Policy.

(d) Review by Purchaser. Within ten (10) days after receipt of each of the Commitment and the Survey as provided for in this Section 3, Purchaser shall notify Seller in writing of any title or survey matters, as applicable, of which Purchaser disapproves. Any matters set forth in the Commitment and Survey not disapproved by Purchaser pursuant to this Section 3(d) shall be deemed to be approved by Purchaser. In the event Purchaser so notifies Seller of any matters which it disapproves, other than Permitted Exceptions and those which Seller shall agree by written notice to Purchaser to discharge at or before Closing, within fifteen (15) days after Purchaser's notice of disapproval Seller shall have the right, but not the obligation, to eliminate or cure such disapproved matters or to make arrangements, satisfactory to Purchaser, to have such disapproved matters eliminated or cured prior to the Closing. Notwithstanding the foregoing, Seller shall be obligated to cure (and may use any proceeds of the sale for such purpose) all objections to title set forth below (herein referred to as "Monetary Objections"):

- (i) All mortgages or security interests affecting Seller's interest in the Property;
- (ii) All past due ad valorem taxes and assessments of any kind constituting a lien against the Property to the extent such assessments can be cured by the payment of money and is due and payable prior to the Closing Date;

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- (iii) All voluntary liens (including liens for non-payment of any sums for which Seller is contractually obligated) affecting Seller's interest in the Property; and
- (iv) All involuntary liens affecting Seller's interest in the Property curable by the payment of money up to \$150,000 (provided that if such involuntary lien is not curable by the payment of money up to \$150,000 then Seller shall not be obligated to cure same, in which case Seller shall notify Purchaser of its decision not to cure such involuntary lien (if it in fact so elects) in which event Purchaser shall have the right (as its sole and exclusive remedy), within five (5) business days of such notice, to cancel this Agreement, receive return of its Deposit, and be reimbursed for its actual out-of-pocket expenses not to exceed \$30,000, upon

which neither party shall have any further obligations to the other, except for such provisions which explicitly survive the termination of this Agreement).

- (v) Judgments which have attached to and become a lien against Seller's interest in the Property.

If Seller is unable or unwilling within the aforesaid fifteen (15) day period to eliminate or cure all such disapproved matters (except Monetary Objections which Seller agrees to cure at or prior to Closing), or make satisfactory arrangements to have all such matters eliminated or cured prior to Closing, Purchaser shall have the right, to terminate this Agreement by written notice to Seller given within ten (10) days after the expiration of the Seller's fifteen (15) day cure period and recover the Deposit together with interest earned thereon and the parties shall have no further obligations or liabilities hereunder, except for such provisions which explicitly survive the termination of this Agreement; or if no such termination notice is given, Purchaser shall be deemed to have waived such disapproval and shall proceed to close. If such termination notice is given, then Seller will not be obligated to reimburse Purchaser for its due diligence expenses otherwise required under Section 13(a) hereof.

(e) Title Insurance. The Title Company or the title agent, shall at the time of the Closing "mark-down" the Commitment with the requirements of subsection (a) hereinabove, including deletion of all standard exceptions (except the lien for current taxes not yet due and payable) and shall show that good and marketable title to the Property is vested in Purchaser, subject only to Permitted Encumbrances.

4. Investigation Period. From the Effective Date of this Agreement, and continuing for a period of thirty (30) days thereafter (the "Investigation Period"), Seller shall permit, and to the extent reasonably required by Purchaser, but at no cost to Seller, shall cooperate with Purchaser in the making of a complete inspection and

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investigation of the Property and of Seller's records relating thereto. Such investigation may include, at Purchaser's discretion, without limitation, soil samples, ground water testing, and geotechnical surveys and testing, and an environmental site assessment. After such investigation, if Purchaser, in its sole and absolute discretion, determines that the Property is not satisfactory to the Purchaser for any reason whatsoever, then Purchaser may terminate this Agreement only by notifying Seller of such termination in writing within the Investigation Period, and upon such notice the Escrow Agent shall return the Initial Deposit to Purchaser and this Agreement shall become null and void (except for such provisions which explicitly survive termination). Except as otherwise provided herein, if Purchaser fails to notify Seller of its termination of this Agreement before the expiration of the Inspection Period as set forth above, then Purchaser shall be deemed to have waived its right of termination under this Section, and thereafter, the Deposit, together with all interest earned thereon shall become non-refundable to the Buyer unless the contract is terminated due solely to Seller's material default.

5. Access to Property. Purchaser and/or its agents shall have the right to enter upon the Property at any time after the execution and delivery hereof for the purpose of inspecting, surveying, staking, engineering, test boring, wetlands audit, drainage, percolation, environmental audits and such other similar inspection as the Purchaser shall consider appropriate. Purchaser shall comply with all laws and rules and regulations of any governmental authority and obtain all licenses and permits required in connection with the aforementioned activities. Purchaser agrees that no permanent damage to the Property shall be caused by such tests, and that if damage occurs, and Purchaser elects not to close this transaction, any damage will be cured at Purchaser's expense. Purchaser will at all times hereafter indemnify and save harmless the Seller against any liability, loss, damage, costs or expenses (including reasonable attorney's fees) which Seller may incur or sustain by reason of Purchaser's exercise of its right to enter upon the Property, including any damage thereto or to any person or other property or the filing of any lien(s) against the Property, and the maintenance of any action, suit or proceeding to foreclose or otherwise enforce such lien(s) against the Property or the Seller, which indemnity shall survive the termination or the closing of this Agreement.

Prior to any entry to perform any on-site testing, Purchaser shall give Seller written notice thereof including the identity of the company or persons who will perform such testing and the proposed scope of the testing. Seller shall approve or disapprove, which approval shall not be unreasonably withheld, the proposed testing within one (1) business day after receipt of such notice, unless such notice proposes invasive or intrusive testing, in which case Seller shall have three (3) business days after receipt of such notice to approve or disapprove such invasive or intrusive testing. Seller hereby pre-approves the contractors and tests described on Exhibit G. If Purchaser or its agents, employees or contractors take any sample from the Property in connection with any approved testing, Purchaser shall provide to Seller a portion of such sample being tested to allow Seller, if it so chooses, to perform its own testing

(Seller's approval of such testing being deemed a request for such samples). Seller or its representative may be present to observe any testing or other inspection performed on the Property.

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The costs and expenses of such inspections shall be borne solely by Purchaser, and shall be paid by Purchaser whether or not the Closing occurs. Any physical inspection of the Property shall be conducted by Purchaser on business days during normal business hours after no less than one (1) business day's prior written notice to Seller and in a manner not to disrupt the Tenants or Seller's business in any unreasonable manner. Purchaser shall promptly deliver to Seller duplicate copies of all reports, test results or other materials prepared in connection with its review of the Premises.

Purchaser shall ensure that its agents and contractors maintain public liability and property damage insurance with single occurrence coverage of at least One Million (\$1,000,000) Dollars and aggregate coverage of at least Two Million (\$2,000,000) Dollars, naming Seller and its property manager as additional insureds, to insure against all liability (including, without limitation, environmental liability) incurred by or caused by Purchaser's agents, employees or contractors, arising out of any entry or inspections of the Property pursuant to the provisions thereof, and Purchaser shall provide Seller with evidence of such insurance coverage prior to any entry onto the Property by Purchaser's employees, contractors or agents. Purchaser shall be solely responsible for the proper management and disposal, including, but not limited to, the execution of any necessary documentation, of any wastes created or extracted during Purchaser's investigation of the Property.

6. Materials. Within five (5) days from the Effective Date of this Agreement, Seller shall deliver to Purchaser copies of all materials in Seller's files relating to the Property, including without limitation all title information, surveys, environmental reports, soils reports, geotechnical studies, engineering information, wetlands information, permits, zoning and concurrency information, any PUD ordinances, platting and subdivision information, rent rolls, operating statements, accounts receivable and aging reports, Contracts, Leases, estoppel letters, and other financial information concerning the operation of the Property as Purchaser may reasonably request (collectively, the "Materials"). The Materials shall be promptly returned to Seller upon termination of this Agreement or Default by Purchaser. The Materials will be used by Purchaser solely for the purpose of evaluating the possible acquisition of the Property.

7. Representations and Warranties of the Seller. In addition to any representations and warranties elsewhere contained in this Agreement, Seller represents and warrants to the Purchaser as follows:

(a) Seller is a limited partnership organized under the laws of Delaware.

(b) Cedar Income Fund, Ltd. is the general partner of the Seller and is empowered to execute this Agreement on behalf of Seller.

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(c) To the best of Seller's knowledge, there is no pending or contemplated condemnation or similar proceeding affecting the Property or any portion thereof.

(d) At the time of Closing, Seller shall have full right, power and authority to execute and deliver this Agreement and to sell and convey the Property to Purchaser as herein provided and to carry out its obligations hereunder.

(e) Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code and shall comply with all requirements imposed by the Foreign Investment in Real Property Act of 1980 ("FIRPTA"), as amended, and if applicable, Seller shall execute an affidavit attesting to such fact, or shall evidence compliance with any withholding of sales proceeds required pursuant to FIRPTA.

(f) Except for the tenants under the Leases set forth on the rent roll attached as Exhibit B hereto (the "Rent Roll"), there are no parties in possession of any portion of the Property as lessees, tenants at sufferance or, to the best of Seller's knowledge, trespassers.

(g) The copies of the Leases, which will be made available to Purchaser as part of the Materials during the course of the Inspection Period, will be true, correct and complete copies thereof. Between the end of the Inspection Period and the Closing Date, Seller will not terminate or materially modify any of the Leases, enter into any new Leases or grant additional renewal rights to any tenant, without the consent of Purchaser, not to be unreasonably withheld, and if no response is received by Seller in five (5) business days, shall be deemed

given. During the Inspection Period, Seller will advise Purchaser of the terms of any proposed new Lease or material modification of any existing Lease, or of any termination, and will otherwise keep Purchaser informed of any matters which materially affect the Leases or leasing in the Property. No Leases are in material default except those defaults identified in Exhibit C attached hereto. Furthermore, the Seller has no continuing obligations under any of the Leases for the construction of tenant improvements or for the payment of any leasing commissions except on future renewals or expansions as described on the Rent Roll. Seller and Purchaser will cooperate with each other during the Inspection Period to identify and communicate with each other concerning material Lease defaults, whether now existing or subsequently arising. No rent or reimbursement has been paid more than one (1) month in advance and no security deposit has been paid, except as stated on the Rent Roll. Seller has paid and will continue to pay the sales taxes due on the rents and other sums payable under the Leases for such periods as Seller owns the Property, subject to normal Closing prorations. Each of the Leases is freely assignable by the Seller to Purchaser as part of this transaction.

(h) Except for the Leases, Permitted Encumbrances and the service contracts set forth on Exhibit D attached hereto (the "Contracts"), there are no service contracts or similar agreements concerning the furnishing of goods and services to the Seller with respect to the Property which will survive the Closing. The copies of the

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Contracts to be delivered to Purchaser as part of the Materials will be true, correct and complete copies thereof. Between the end of the Inspection Period and the Closing, Seller will fulfill its obligations under all Contracts, and during such period will not terminate or materially modify any Contracts or enter into any new Contract without the consent of Purchaser (not to be unreasonably withheld) except such obligations as are freely terminable without penalty upon not more than thirty (30) day's written notice. Seller further agrees that it will promptly provide Purchaser with notice of and copies of any such Contracts entered into after the Effective Date so that this representation regarding the Contracts set forth on Exhibit D remains true and correct at all times hereunder.

(i) From and after the date hereof and until the Closing, Seller covenants to keep and maintain and operate the Property substantially in the manner in which it is currently being maintained and operated and covenants not to cause or permit any waste nor undertake any action with respect to the operation thereof outside the ordinary course of business without Purchaser's prior written consent, not to be unreasonably withheld. Seller covenants not to remove from the Improvements or the Real Property any article included in the Personal Property, without replacing the same with a replacement of the same general quality and/or type. Seller covenants to maintain until Closing such occupational licenses and permits as are required by law for its operation of the Property, and to carry such casualty and liability insurance on the Property as is presently being carried.

(j) To the best knowledge of Seller, the Property is properly zoned for its present use. Seller has received no formal notification of any proposed change in zoning with regard to any of the Property.

(k) The Rent Roll is true and correct in all material respects. Seller shall use commercially reasonable efforts to obtain current Tenant Estoppel Letters (as defined herein) from all Tenants under the Leases. However, in the event Seller is unable to obtain current Tenant Estoppel Letters from all of the Tenants on the Rent Roll, then Seller shall provide Purchaser with current Tenant Estoppel Letters from Tenants of at least eighty percent (80%) of the Tenants on the Rent Roll, and Seller shall provide a current landlord estoppel letter executed by the Seller, as landlord, for the remaining Leases of the Property in substantially the same form and with the same information contained in the Tenant Estoppel Letters.

(l) Neither the execution and delivery of this Agreement by Seller nor the consummation by Seller of the transactions contemplated hereby will (a) require Seller to obtain any permit, authorization, consent, or approval of, any governmental or regulatory authority; (b) conflict with or breach any provision of the limited partnership agreement of Seller; (c) violate or breach any provision of, or constitute a default (or an event of which, with notice or lapse of time or both, would constitute a default) under, any note, bond, mortgage, indenture or deed of trust to which Seller is a party; or (d) violate any order, writ, injunction, decree, judgment, statute, law or ruling of any court or governmental authority applicable to Seller.

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(m) To the best of Seller's knowledge, the Property is in substantial compliance with all applicable federal, state and local laws and regulations relating to health, safety, pollution control and environmental contamination, including but not limited to, all laws and regulations governing the generation, use, collection, treatment, storage, transportation, recovery, removal,

discharge or disposal of hazardous materials, and the storage of petroleum products and all other laws for the protection and safety of health, natural resources or the environment. To the best of Seller's knowledge, except as otherwise disclosed on the Environmental Reports delivered to Purchaser, the Property does not contain any materials containing or producing any polychlorinated biphenyls or asbestos, including, without limitation, any asbestos fireproofing or insulation, kerosene, gasoline or other toxic petroleum products, toxic pesticides or herbicides, volatile solvents or radioactive materials, or any underground tanks of any kind. To the best of Seller's knowledge, except as otherwise disclosed on the Environmental Reports delivered to Purchaser, the Property has never been used as a landfill. Seller has not received written notice of any alleged violation of, nor been the subject of any administrative or judicial proceeding pursuant to such laws or regulations. No written claim has been asserted against the Seller or, to the best of Seller's knowledge, against any other person relating to environmental matters on the Property, including, but not limited to, any claim arising from past environmental practices asserted under any federal, state or local environmental statute or other Environmental Laws (as hereinafter defined). The term "Environmental Laws" includes, without limitation, the federal Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), the Superfund Amendments and Reauthorization Act, the federal Water Pollution Control Act, the federal Clean Air Act, the federal Clean Water Act, the federal Resources Conservation and Recovery Act of 1976 (including the Hazardous and Solid Waste Amendment to RCRA), the federal Solid Waste Disposal Act, the federal Toxic Substance Control Act, the federal Insecticide, Fungicide and Rodenticide Act the federal Occupational Safety and health Act of 1970, the federal National Environmental Policy Act, the federal Hazardous Materials Transportation Act, the Florida Solid and Hazardous Waste Management Act, the Florida Air and Water Pollution Control Act, and the Florida Pollutant Spill Prevention and Control Act, each as amended and as now or hereafter in effect, and any similar federal, state or local law.

(n) To the best of Seller's knowledge, neither the Land nor or any portion thereof is subject to any fees, dues, charges or special assessments (private or governmental), whether or not presently a lien thereon, except for the lien of taxes not yet due and payable, and except as otherwise disclosed to Purchaser in writing or as set forth in the Title Commitment.

(o) To the best of Seller's knowledge, there are no actions, suits, litigation, or proceedings of any kind or nature whatsoever, legal or equitable, affecting the Leases or the Land, or any portion or portions thereof or relating to or arising out of the ownership of the Land, in any court or before any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality.

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(p) To the best of Seller's knowledge, no present material default or breach exists under any restrictions contained within any permits, ordinances, development order, any encumbrance affecting the Land, or any covenants, conditions, restrictions, rights-of-way or easements which may affect the Land, or any portion or portions thereof, and Seller has no actual knowledge or notice of any condition or circumstance which, with the passage of time and/or the giving of notice, or otherwise, would constitute or result in a material default or breach under any permits, ordinance, development order, any encumbrance, covenants, conditions, restrictions, rights-of-way or easements.

(q) The execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not and do not constitute a violation or breach by Seller of any provision of any agreement or other instrument to which Seller is a party or to which Seller may be subject although not a party, nor result in or constitute a violation or breach of any judgment, order, writ, injunction or decree issued against Seller.

(r) There are no voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws filed by Seller or pending or, to the best of Seller's knowledge threatened against Seller or the Property.

(s) To the best of Seller's knowledge, there are no liens or security interests affecting the Property, except for the Permitted Encumbrances and those mortgages and liens which will be released at Closing and that title to the Property can be conveyed by Seller to Purchaser without the joinder or consent of others.

(t) To the best of Seller's knowledge, Seller is in material compliance with the requirements of all applicable state and local governmental authorities with respect to the Property. Seller has not received any notices from any city, county, state or other governmental authority or other person or entity of currently existing violations in respect to the Property.

(u) To the best of Seller's knowledge, there are no defaults and no events have occurred which with notice and the passage of time would constitute a default under any of the Leases affecting the Property.

These provisions of Section 7 shall survive the Closing for a period of six

months after Closing.

No Other Representations. Purchaser to date and during the Due Diligence Period will have made such examination of the Premises, the operation, income and expenses thereof and all other matters affecting or relating to this transaction as Purchaser shall deem necessary. Purchaser affirms that Seller has not made nor has Purchaser relied upon any representation, warranty or promise made by Seller or any broker or any representative or agent of Seller, nor has Purchaser relied on any information or material provided by Seller or any broker or any

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representative or agent of Seller, with respect to any of the following ("Premises Conditions"): the Premises or its physical condition, income, expenses, operation or use, or the laws, ordinances, rules and regulations applicable to the Premises or compliance of the Premises therewith, or any other matter or thing affecting or related to the Premises, except as specifically set forth in this Agreement. It is understood and agreed that Purchaser is acquiring and will accept conveyance of the Premises and the equipment and fixtures therein in their "as is" condition, subject to reasonable wear and tear prior to closing of title. Purchaser hereby releases and agrees that it shall not seek recourse of any kind against Seller or any of its employees, contractors, attorneys, partners, agents or representatives for any claims, loss, cost or expense of any kind related to or arising from any of the Premises Conditions.

For the purpose hereof, the words "To the best of Seller's knowledge" or words of similar import shall be deemed to mean, and shall be limited to, the actual (as distinguished from implied, imputed or constructive) knowledge of Seller after, and based solely upon, making inquiry of Brenda J. Walker and Leo S. Ullman (without imposing any independent duty of inquiry on such individuals, except that Seller agrees to request in writing confirmation of representations made "to the best of Seller's knowledge" from the local leasing agent).

8. Representations and Warranties of Purchaser.

Purchaser hereby represents and warrants to Seller as follows:

(a) Organization. Purchaser is a limited liability company duly formed and in good standing under the laws of Florida.

(b) Authority. This Agreement has been, and the documents, instruments and agreements required to be delivered by Purchaser pursuant to this Agreement, shall be duly executed and delivered by Purchaser and constitute legal, valid and binding obligations of Purchaser enforceable in accordance with their respective terms. Neither the execution, delivery or performance of this Agreement, is prohibited by the terms of any agreement binding on Purchaser, or requires Purchaser to obtain the consent, approval or authorization of, or notice to or filing a registration with, any person, public authority or any other entity.

9. Closing and Related Matters.

(a) Closing Date and Extension of Closing. The closing (the "Closing") of this transaction shall occur within sixty (60) days after the expiration of the Inspection Period ("Closing Date"), by mail, with all required documents and payments to be delivered to the Title Agent prior to the Closing Date, or at such other time as may be mutually agreed upon by the Seller and Purchaser.

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(b) Prorations. The following items shall be prorated as of midnight on the day preceding the Closing Date: (i) current real estate taxes applicable to the Property for the year of closing. Taxes for the year of closing shall be preliminarily prorated at Closing based on the current or most recent ascertainable tax bill and calculated using the maximum applicable discount and shall be reprorated, if necessary, upon the issuance of final bills therefor. Any amounts due from either party to the other on the account of any such reproration of taxes shall be paid in cash at that time; (ii) all basic rent, percentage rent, and any other rents received by the Seller for the month of Closing; (iii) all outstanding general or special assessments shall be paid when due and payable, with Seller paying its share of any installments due before the Closing Date and Purchaser assuming the obligation to pay its share of any installments due on or after the Closing Date; and (iv) all actual, reasonable and documented operating expenses of the Seller for the Property, which are customarily paid by the owner of an office park similar to the Property in Jacksonville, Florida, shall be prorated to the day before Closing, with the Purchaser being responsible for the day of Closing. Any assessments after the Closing Date, including any assessments for prior years due to a change in land, usage or ownership, shall be paid solely by Purchaser, without any adjustment.

(c) Further Adjustments to the Purchase Price. The Purchase Price shall be further adjusted as of midnight of the day preceding the Closing Date by subtracting the amount of security deposits, prepaid rents (exclusive of charges for property taxes which shall be retained by Seller without credit to Purchaser) from and credit balances of tenants under the Leases. Any rents, percentage rents or tenant reimbursements paid by tenants after the Closing Date

but applicable to periods prior to the Closing Date shall be remitted to Seller by Purchaser within ten (10) days after receipt. Purchaser shall undertake to collect delinquencies in the ordinary course of its business through its customary billing practices, but shall have no obligation to make other nonbilling types of collection efforts or institute any litigation, and after one (1) year from the Closing Date Purchaser shall have no obligation with respect to pre-Closing delinquencies. Seller may separately institute litigation for sums due it from tenants, but shall not attempt to evict any tenant. Seller will remit to Purchaser within ten (10) days after receipt any rents, percentage rents or tenant reimbursements received by Seller after Closing which are attributable to periods occurring on or after the Closing Date. Undesignated receipts after Closing of either Purchaser or Seller from tenants in the Property shall be applied first to then-current rents and reimbursements for such tenant(s) (Purchaser acknowledging that certain Tenants pay in arrears, in accordance with the terms of their respective Leases, and as disclosed in the Rent Roll), then to delinquent rents and reimbursements attributable to post-Closing Date periods, and then to pre-Closing Date periods.

(d) Closing Costs.

- (i) Seller shall pay the following costs in connection with the Closing: (1) Seller's attorney's fee; (2) documentary stamps

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on the deed; (3) a real estate commission to Weaver Realty Group, Inc. / Grubb & Ellis / Phoenix Realty Group, Inc. and Brentway Management LLC (4) title insurance premium for a standard (basic) owner's title insurance policy in the amount of the Purchase Price; (5) title search fees; and (6) satisfaction or release of any mortgage encumbering the Property.

- (ii) Purchaser shall pay the following costs in connection with the Closing: (1) the cost of recording the Deed; (2) Purchaser's attorney's fee; and (3) all inspection costs and (4) any other costs not described in (d)(i) above.

(e) Seller's Closing Documents. At the Closing, Seller shall execute, acknowledge and deliver to Purchaser the following:

- (iii) A special warranty deed duly executed in proper recordable form, witnessed and acknowledged, conveying fee simple title to the Property to Purchaser;
- (iv) An Assignment of Leases executed in recordable form, assigning all of the Seller's right, title and interest as landlord in and to the Leases of the Property and all security deposits and other sums from tenants held by Seller with respect to the Leases to Purchaser;
- (v) A general assignment of any operating licenses, permits, approvals, Contracts, etc., affecting the Property;
- (vi) A bill of sale of any personal property owned by Seller which is located at the Property;
- (vii) All keys and other means of access to the Improvements in Seller's possession or control;
- (viii) An owner's affidavit, reasonably satisfactory to the title insurance company, insuring Purchaser's fee simple title to the Property;
- (ix) Affidavit that Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code;
- (x) Originals of all Leases, Contracts, and Materials, including, without limitation, tenant files and correspondence, construction plans and specifications, site plans, and sketches of the Property, to the extent in Seller's possession or control;

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- (xi) An indemnity from Seller against breaches by the landlord of the Leases and Contracts prior to the Closing Date;
- (xii) An updated Rent Roll (as of the Closing Date) certified by Seller for the Property;
- (xiii) Subject to the provisions of paragraph 7 (k) above, Original tenant estoppel letters from each of the tenants under the Leases, substantially in the form attached hereto as Exhibit E or

in the form which a particular tenant is required to give under its Lease (the "Tenant Estoppel Letters");

- (xiv) An assignment of all warranties relating to the Property, if any;
- (xv) Letter to tenants signed by Seller and Purchaser notifying the tenants of the acquisition of the Property by Purchaser and directing the tenants to pay all rents and other sums to Purchaser from and after the Closing Date;
- (xvi) A certificate from the Seller that the representations and warranties of the Seller set forth in Section 7 of this Agreement (other than (c), (i) or (j)) remain true in all material respect as of the date of Closing (subject to revisions to address any factual changes with respect to (f), (k), (g), (m), (o), (r), (t) and (u)); and
- (xvii) Such other documents as the Purchaser or the Title Company may reasonably request to effect the transactions contemplated by this Agreement, provided same does not increase Seller's obligations or liabilities beyond that contemplated hereunder.

(f) Conditions to Purchaser's Obligation to Close.

- (i) The representations, warranties and covenants of Seller contained in Section 7 of this Agreement (other than (c), (i) or (j)) will be materially true and correct as of the Closing Date, subject to revisions due to factual changes with respect to (f), (k), (g), (m), (o), (r) regarding threatened actions only, (t) and (u) and in all cases subject to Section 10;
- (ii) Seller shall have delivered to the Escrow Agent each of the documents required in Section 9(e) hereinabove;
- (iii) Seller will have materially performed and complied with all covenants and agreements contained herein which are to be

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performed and complied with by Seller at or prior to the Closing Date; and

- (iv) Purchaser will have obtained the original Title Commitment, marked by the Title Agent to show fee title ownership of the Land as being vested in Purchaser, subject only to the Permitted Encumbrances.

(g) Purchaser's Closing Documents. At the Closing, Purchaser shall execute and acknowledge and deliver to Seller the following:

- (i) Assumption of Leases executed in recordable form, assuming all of Seller's obligations under the Leases and acknowledging receipt of all security deposits and other sums from tenants held by Seller with respect to the Leases;
- (ii) Affidavit and other evidence reasonably satisfactory to the title insurance company regarding due authorization and due existence and good standing of Purchaser;
- (iii) An indemnity from Purchaser against breaches by the landlord of the Leases and Contracts on or after the Closing Date and any future brokerage commissions arising from any expansion, renewal or other lease modification (to existing brokers described on the Rent Roll or based independently on Purchaser's actions) or any new lease entered into on or after the Closing Date.
- (iv) Such other documents as the Seller or the Title Company may reasonably request to effect the transactions contemplated by this Agreement, provided same does not increase Purchaser's obligations or liabilities beyond that contemplated hereunder.

(h) Conditions to Seller's Obligations to Close.

- (i) The representations, warranties and covenants of Purchaser contained in this Agreement will be materially true and correct as of the Closing Date;
- (ii) Purchaser shall have delivered to the Escrow Agent each of the documents required in Section 9(g) above along with the balance of the Purchase Price; and
- (iii) Purchaser will have materially performed and complied with all covenants and agreements contained herein which are to be performed and complied with by Purchaser at or prior to the

10. Leases. Purchaser acknowledges that it has had an opportunity to examine copies of the Leases and will accept title subject thereto. Seller does not warrant that any particular Lease will be in force or effect at the Closing or that the

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tenant will have performed their obligations thereunder. The termination of any Lease, the removal of any tenant or vacation by any tenant prior to the Closing shall not affect the obligations of Purchaser under this Agreement in any manner or entitle Purchaser to any abatement of or credit against Purchaser's obligations or give rise to any other claim of Purchaser. Notwithstanding the foregoing, in the event that scheduled base rental income as described in the Rent Roll is decreased by more than 12% due to one or more Tenant either (a) being more than 75 days past due in base rent or (b) filing for bankruptcy protection, then the Purchase Price shall be reduced by the product of five (5) times such decrease up to a total reduction not to exceed \$750,000 and this Agreement shall otherwise be unaffected. If such product exceeds \$750,000, then Purchaser shall have the option of terminating this Agreement by written notice to Seller no later than five business days after notice of such decrease, in which event the Deposit shall be returned to Purchaser and neither party shall have any other obligation to the other hereunder, except for such provisions specifically surviving the termination of this Agreement.

11. Real Estate Commission. The Seller and the Purchaser agree that Weaver Realty Group, Inc./ Grubb & Ellis / Phoenix Realty Group, Inc. and Brentway Management, LLC (collectively, the "Broker"), brought about this sale. Seller shall pay to the Broker a commission (the "Commission") in accordance with a separate agreement between Seller and Broker. The Purchaser and Seller each represents to the other that no other broker has had any part in bringing about this sale or has been consulted by either of them in connection therewith. Each party hereto agrees to indemnify and hold the other harmless by reason of any asserted claims by any other broker arising out of the actions of the indemnifying party. The provisions of this Section shall survive the delivery of the Deed.

12. Condemnation or Casualty. If, prior to the closing of title, all or any material part of the Property shall be taken by condemnation in any proceeding by a public authority or other body vested with the power of eminent domain, or shall be acquired for public or quasi-public purposes, or condemnation proceedings therefor shall have been instituted, the Purchaser may elect to terminate this Agreement by giving the Seller notice to such effect within fourteen (14) days after the Purchaser shall have received notice of such occurrence, and if the Purchaser shall so elect, both parties shall be relieved and released of and from any and all further liability hereunder, except for those provisions which explicitly survive the termination of this Agreement, and the Purchaser shall be entitled to reimbursement of the Deposit paid by the Purchaser hereunder. If the Purchaser does not elect to so terminate, this Agreement shall remain in full force and effect, and the Seller shall, at the closing of title, assign, transfer and set over to the Purchaser all of their right, title and interest in and to any awards paid or payable for such taking.

Destruction. If, prior to the Closing, all or any portion of the Premises is destroyed by fire or any other casualty, Seller shall notify Purchaser of such fact. If the cost to repair such damage is \$250,000 or less, then (a) this Agreement shall be unaffected thereby;

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(b) Seller shall assign to Purchaser all of its rights to any insurance proceeds with respect to such casualty; and (c) Seller shall convey the Premises to Purchaser without an abatement of the purchase price or obligation on the part of Seller to restore the damage. If the cost to repair exceeds \$250,000, then Tenant shall have the right to terminate this Agreement, upon written notice to Seller within five (5) business days of receipt of Seller's notice of such casualty, in which event the Deposit shall be returned to Purchaser and the parties shall have no further obligations hereunder, except for the provisions which explicitly survive termination of this Agreement. If this Agreement is not terminated within such five business days, then (a) - (c) above shall apply.

13. Default.

(a) Seller's Default. In the event that Seller should fail to consummate the transaction contemplated herein for any reason except for Purchaser's default or termination by Purchaser during the Investigation Period, Purchaser shall, at its option and as its sole and exclusive remedy, either (i) terminate this Agreement and receive a full and immediate refund of the Deposit held by the Escrow Agent, together with interest earned thereon, (and in the event Seller intentionally refuses to close after all conditions have been satisfied, Purchaser is ready, willing and able to close, and Seller is otherwise able to close, Seller shall then promptly reimburse Purchaser for all of its actual out of pocket expenses incurred in its due diligence of the Property, including without limitation, the costs of any reports and survey updates, up to a maximum

amount of \$30,000.00), or (ii) seek specific performance of this Agreement within 45 days of such failure. In no event shall Seller be liable for any punitive, speculative, consequential or other damages. Under no circumstances shall Seller be liable to Purchaser for any amount in excess of the amount described in this Section.

(b) Purchaser's Default. In the event Purchaser should fail to consummate the transaction contemplated herein for any reason except default by Seller or the failure of the Seller to satisfy any of the Closing Conditions or their conditions to Purchaser's obligations, the Escrow Agent shall deliver the Deposit, together with interest earned thereon, to Seller, and it shall become the property of Seller, such sum being agreed upon as liquidated damages for the failure of Purchaser to perform the duties, liabilities, and obligations imposed upon it by the terms and provisions of the Agreement and because of the difficulty, inconvenience and uncertainty of ascertaining actual damages. The maximum liability that the Purchaser has with respect to a default by Purchaser hereunder (in addition to the indemnities set forth herein regarding Purchaser's representation of no other brokers and regarding any injury or damage to person or property during access to the Property) is loss of the Deposit, and no other damages, right, or remedies shall in any case be collectible, and Seller agrees to accept and take the Deposit as its total damages (in addition to the indemnities set forth herein regarding Purchaser's representation of no other brokers and regarding any injury or damage to person or property during access to the Property) in relief hereunder in such event.

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(c) Escrow Agent. Any funds delivered to the Escrow Agent shall, pursuant to this Agreement, be held by said Escrow Agent in trust and shall be placed by Escrow Agent in an interest bearing account in a federally insured banking institution. The Escrow Agent is authorized and agrees by acceptance thereof to hold same in escrow and to disburse it at closing in accordance with terms and conditions of this Agreement. In the event Escrow Agent receives conflicting instructions regarding the Deposit under the provisions of this Agreement, the Escrow Agent may, in its sole discretion, continue to hold the monies which are the subject of this escrow until the parties mutually agree to the disbursement thereof, or until a judgment of a court of competent jurisdiction shall determine the rights of the parties thereto, or, if requested by Purchaser or Seller, Escrow Agent shall may deposit all the monies then held pursuant to this Agreement with the Clerk of the Circuit Court of the county having jurisdiction of the dispute, and upon notifying all parties concerned of such action, all liability on the part of the Escrow Agent shall fully ease and terminate, except to the extent of accounting for any monies theretofore delivered out of escrow. In the event of any suit between Purchaser and Seller wherein the Escrow Agent is made a party by virtue of action as such Escrow Agent interpleads the subject matter of this escrow, Escrow Agent shall be entitled to recover reasonable attorneys' fees and costs incurred, said fees and costs to be charged and assessed as court costs in favor of the prevailing party. All parties agree that the Escrow Agent shall not be liable to any party or person whomsoever for misdelivery to Purchaser or Seller of monies subject to this escrow unless such misdelivery shall be due to willful breach of this Agreement or gross negligence on the part of the Escrow Agent.

(d) Notices. Any notice to be given or served upon any party hereto in connection with this Agreement must be in writing, and may be given by: (i) overnight delivery by a recognized national overnight courier service such as Federal Express; or (iii) facsimile to the telefax number set forth below (with receipt confirmed by phone); and, it shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Such notices shall be given to the parties hereto at the following addresses:

If to Seller: Cedar Income Fund Partnership, L.P.
c/o Cedar Income Fund Partnership, Ltd., G.P.
Attn: Leo S. Ullman, President
44 South Bayles Avenue
Port Washington, NY 11050
Telephone #: 516/883-5577
Telefax #: 516/883-5975

With a copy to: Stuart H. Widowski, Esq.
Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue, Suite 304
Port Washington, NY 11050
Telephone #: 516/767-6492
Telefax #: 516/767-6497

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If to Purchaser: Southpoint Parkway Center, L.C.
Boca Corporate Center
2101 Corporate Blvd.
Suite 300
Boca Raton, FL 33341
Telephone #: 561-989-0300

Telefax #: 561-989-0304

With a copy to: Daniel S. Mandel, Esquire
Mandel, Weisman & Brodie, P.A.
Boca Corporate Center
2101 Corporate Blvd.
Suite 300
Boca Raton, FL 33431
Telephone #: 561-989-0300
Telefax #: 561-989-0304

Any party hereto may, by giving five (5) days written notice to the other party hereto, designate any other address in substitution of the foregoing address to which notice shall be given.

14. General Provisions.

(a) Governing Law. This Agreement and all questions of interpretation, construction and enforcement hereof, and all controversies arising hereunder, shall be governed by the applicable statutory and common law of the State of Florida.

(b) Severability. In the event any term or provision of this Agreement shall be held illegal, unenforceable or inoperative as a matter of law, the remaining terms and provisions of this Agreement shall not be affected thereby, but each such term and provision shall be valid and shall remain in full force and effect.

(c) Binding Effect, Entire Agreement, Modification. This Agreement shall be binding upon, and shall inure to the benefit of, the successors and assigns of the parties hereto. This Agreement embodies the entire contract between the parties hereto with respect to the Property and supersedes any and all prior agreements and understandings, written or oral, formal or informal. No modifications or amendments to this Agreement, of any kind whatsoever, shall be made or claimed by Seller or Purchaser, and no notices of any extension, change modification or amendment made or claimed by Seller or Purchaser shall have any force or effect whatsoever unless the same shall be endorsed in writing and fully signed by Seller and Purchaser.

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(d) Captions. Captions and Article headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement nor the intent of any provision hereof.

(e) Litigation. In the event of any litigation between the parties to this Agreement relating to or arising out of this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs, including such fees and costs on appeal.

(f) Waiver. No waiver of any provision of this Agreement shall be effective unless it is in writing, signed by the party against whom it is asserted and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

(g) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same Agreement.

(h) Gender. All terms and words used in this Agreement, regardless of the number and gender in which used, shall be deemed to include any other gender or number as the context or the use thereof may require.

(i) Interpretation. All terms and words used in this Agreement, regardless of the number and gender in which used, shall be deemed to include any other gender or number as the context or the use thereof may require. This Agreement shall be interpreted without regard to any presumption or other rule requiring interpretation against the party causing this Agreement or any part thereof to be drafted.

(j) Time for Acceptance. This Agreement, when duly executed by all of the parties hereto, shall be binding upon the parties hereto, their heirs, representatives, successors and assigns. The Purchaser has executed this Agreement as of the date and year first above written. In the event this Agreement has not been duly executed by the Seller and a duly executed counterpart delivered to the Purchaser, or Purchaser's Agent, by February ____, 2002, by 5:00 o'clock P.M., then the offer herein and herewith made by the Purchaser shall terminate and this Agreement shall be null and void and the Escrow Agent shall return the Deposit to the Purchaser.

(k) Radon Gas Disclosure. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present

health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

15. Section 1031 Exchange. Seller acknowledges that Purchaser may effect a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, Seller agrees that it will cooperate with Purchaser to effect a tax-free exchange in accordance with the provisions of Section 1031 of the

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Code and the regulations promulgated with respect thereto. Purchaser shall be solely responsible for any additional fees, costs or expenses in connection with the like-kind exchange contemplated by this paragraph, and Seller shall not be required to incur any debt, obligation or expense in accommodating Purchaser hereunder. In no event shall Purchaser's ability or inability to effect a like-kind exchange, as contemplated hereby, in any way delay the Closing or relieve Purchaser from its obligations and liabilities under this Agreement. Purchaser hereby agrees to indemnify and hold harmless Seller from any liability, losses or damages incurred by Seller in connection with or arising out of the Section 1031 like-kind exchange, including but not limited to any tax liability.

16. Governmental Authorities. As used herein, the term "Governmental Authority(ies)" includes Duval County, the Government of the United States of America, the State of Florida, and each and every agency, division, commission, subdivision, and instrumentality of the foregoing, any or all of which have jurisdiction over the Property or any part thereof.

17. Time. Time is of the essence of this Agreement. Any time period provided for herein which shall end on a Saturday, Sunday or legal holiday shall extend to 5:00 o'clock p.m. of the next business day.

18. Assignment. Notwithstanding anything herein to the contrary, the Purchaser shall be entitled to assign this Agreement to an entity in which the members of the Purchaser/Limited Liability Company collectively own at least a 50% interest, provided Purchaser delivers evidence thereof to Seller and Escrow Agent not less than five business days prior to closing Date. No other assignment of this Agreement by Purchaser shall be permitted without Seller's prior written consent.

19. Obligations Upon Termination. In the event this Agreement is terminated for any reason, Purchaser shall immediately deliver to Seller all documents, plans, reports or other materials provided to Purchaser or prepared by Purchaser or its agents, contractors or representatives related to the Premises and all copies thereof.

20. Confidentiality. All information, materials and documents provided by Seller or prepared by Purchaser or its contractors in connection with this Agreement or the Premises shall be treated by Purchaser as strictly confidential and shall not be disclosed to any third party except as necessary to perform the evaluations described herein or as required by applicable law. In the event Purchaser intends to disclose information to any party other than directors, officers, employees, or financial institutions, then Purchaser shall obtain from such party and deliver to Seller an executed Confidentiality Agreement substantially in the form of Exhibit H attached hereto. The obligations contained in this Section shall survive any termination of this Agreement.

21. Attorneys Authorized to Extend Time. The respective attorneys for each of Seller and Purchaser are authorized to consent in writing to the extension of any time period set forth herein.

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22. Costs. Except as explicitly provided otherwise herein, any action to be performed by any party herein shall be performed by such party at its sole cost and expense.

23. Waiver of Trial by Jury. THE PARTIES HERETO EACH WAIVE THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARISING FROM OR RELATED TO THIS AGREEMENT OR ANY PROVISION CONTAINED HEREIN.

24. No Memorandum. Purchaser shall not record this Agreement or a memorandum hereof and any attempted recordation of this Agreement or a memorandum hereof shall be void and shall constitute a default by Purchaser.

25. Personalty and Fixtures. All right, title, and interest of Seller in and to the personalty and fixtures that are in or on the Premises, and are due to be transferred at the time of Closing, shall be deemed transferred to Purchaser under the deed to be delivered at Closing. No part of the Purchase Price shall be deemed to have been paid by Purchaser for the personalty and fixtures. In the event a taxing authority shall determine that a sales tax is due on the personalty, Purchaser agrees to pay the same. This provision shall

survive Closing.

26. Zoning, Etc. Purchaser shall not attempt to obtain any zoning change, modification of the zoning classification or variance for the Property or any part thereof at any time prior to the Closing Date without Seller's prior written consent, which may be withheld in Seller's sole and absolute discretion.

27. Seller may, by written notice to Purchaser, elect to extend the Closing Date for a period not to exceed thirty (30) days, during which time Seller shall seek to obtain any remaining Tenant Estoppels.

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

"SELLER"

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

By: _____
Name: Leo S. Ullman

- _____
First Witness Signature
Brenda J. Walker

Its: President

- _____
First Witness Printed Name

Date: February 1, 2002

- _____
Second Witness Signature
Janet Paturzo

- _____
Second Witness Printed Name

Signed, sealed and delivered
in the presence of:

"PURCHASER"

By: _____
William S. Weisman
Its Member

- _____
First Witness Signature
Daniel S. Mandel

- _____
First Witness Printed Name

Date: January 31, 2002

- _____
Second Witness Signature
Judith A. Rauchut

- _____
Second Witness Printed Name

RECEIPT AND ACCEPTANCE OF
DEPOSIT BY THE ESCROW AGENT

The undersigned, being the Escrow Agent named in the foregoing Agreement, hereby acknowledges receipt of the Deposit of Fifty Thousand and No/100 Dollars (\$50,000.00) required to be paid by the Purchaser under the terms of Section 2(a) thereof and agrees to hold the same as Escrow Agent in accordance with the terms and conditions of said Agreement.

Executed this 1st day of February, 2002.

Stuart H. Widowski, Esq.

By: _____

Print Name: Stuart H. Widowski, Escrow Agent

ADDENDUM NUMBER ONE

This Addendum Number One ("Addendum") to the Real Estate Purchase and Sale Agreement ("Agreement") by and between Cedar Income Fund Partnership, L.P., as Seller and Southpoint Parkway Center, L.C., as Buyer, is entered into by and between Seller and Buyer, who, intending to be legally bound, hereby agree as follows:

1. Buyer hereby rescinds its notice of termination dated March 4, 2002 and the Agreement, as amended by this Addendum, is hereby reinstated.
2. Buyer contemporaneously with delivery of this Addendum shall re-deposit the Initial Deposit with Escrow Agent.
3. Any rights of Buyer to terminate the Agreement described in Section 3 or 4 of the Agreement are hereby waived.
4. The Closing Date shall occur not later than 75 days after the date Buyer receives a signed counterpart of this Amendment, time being of the essence.
5. Seller has obtained a lease amendment with GSA extending the firm term of such lease for 8 additional months (until 8/14/04) and Seller agrees to pay for the applicable tenant improvement costs. The tenant improvement work shall commence as soon as reasonably practicable.
6. The Purchase Price is unchanged, but the following adjustments shall be applied at Closing: (a) Seller shall receive a credit of \$15,000 applicable to Seller's assumption of the obligation for tenant improvements in connection with the GSA Lease and (b) Buyer shall receive a credit of \$40,000 in lieu of the repairs recommended in Buyer's inspection report.
7. The terms and conditions of the Agreement referenced above that are not modified herein shall remain in full force and effect.
8. This Addendum and the Agreement which it modifies constitute all of the agreements between Seller and Buyer, and their effectiveness are not conditioned on any matter other than the execution of this document.

Dated: March 20, 2002

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

BY:

Leo S. Ullman, President

Dated: March 20, 2002

SOUTHPOINT PARKWAY CENTER, L.C.

BY:

William S. Weisman, Managing Member

EXHIBIT A

LEGAL DESCRIPTION

LOAN FORM
CHICAGO TITLE INSURANCE COMPANY
EXHIBIT "A"

EXHIBIT A
LEGAL DESCRIPTION

PARCEL 1:

A portion of the Francis Richard Grant, Section 50, Township 3 South, Flange 27 East, Jacksonville, Duval County, Florida, more particularly described as follows:

For a point of reference, commence at the extreme Northwesterly corner of those lands attached as Exhibit "A" and described in Southpoint-Phase II Protective Covenants recorded in the Public Records of said County, in

Official Records Book 5652, Pages 2106 through 2130, said point lying on the Easterly right of way line of Salisbury Road, a 60-foot right of way as now established, and run South 67 degrees 34 minutes 41 seconds East, along the Northerly boundary of said lands, a distance of 774.55 feet to an angle point in said Northerly boundary; thence continue along said Northerly boundary, North 86 degrees 29 minutes 32 seconds East, a distance of 0.03 feet to the point of beginning.

From the point of beginning thus described, continue North 86 degrees 28 minutes 32 seconds East, along said Northerly boundary, a distance of 223.03 feet to the Northwest corner of those lands described in Official Records Book 6580, Page 704, said Public Records; run thence South 15 degrees 52 minutes 18 seconds East, along the Westerly boundary line of said lands, a distance of 70.00 feet to a point; thence departing from said boundary line, run South 18 degrees 45 minutes 40 seconds West, a distance of 563.00 feet to a point on a curve in the Northerly right of way line of Southpoint Parkway (a 70-foot right of way, as now established); run thence along said Northerly right of way line and around the arc of said curve; concave Southwesterly and having a radius of 1,738.70 feet; an arc distance of 177.08 feet to a point on said curve, said arc being subtended by a chord bearing and distance of North 75 degrees 42 minutes 90 seconds West, 177.00 feet; thence departing from said right of way line, run North 11 degrees 32 minutes 49 seconds East, a distance of 355.14 feet to the Point of Beginning.

PARCEL 2:

A tract of land comprised of portions of Tracts 5 and 6, and the former right of way of Charing Street (closed by Petition No. 177, Resolution of the Board of County Commissioners of Duval County, Florida, dated January 3, 1956), Acreage Replot of Southside Farms, according to the plot recorded in Plot Book 14, Page 99, Public Records of Jacksonville, Duval County, Florida; together with a portion of the Francis Richard Grant, Section 50, Township 3 South, Range 27 East, said tract being more particularly described as follows:

For point of references, commence at the point of intersection of the Easterly right of way line of Salisbury Avenue (a 60-foot right of way, as now established) with the Southerly right of way line of Charing Street (a 50-foot right of way), and run N78(degree) 47'12" E, along said Southerly right of way line, a distance of 925 feet to an iron pipe located at the Northeasterly corner of that certain tract described in Deed Book 671, Page 159, Public Records of said County, for point of beginning.

From the point of beginning thus described, run along the current Easterly terminus of Charing Street, as follows: first course N11(degree) 13'19" W a distance of 25.00 feet to an iron pipe; second course, N78(degree) 47'12" E a distance of 19.15 feet to an iron pipe; third course, N11(degree) 12'48" W, a distance of 25.00 feet to an iron pipe located at the Southeasterly corner of that certain tract described in Official Records Volume 3793, Page 401, Public Records of said County; run thence N11(degree) 57'13" W, along the Easterly boundary of said tract, a distance of 499.10 feet to an iron pipe located at the Northeasterly corner of said tract; run thence N75(degree) 42'38" E a distance of 25.00 feet to an iron pipe; run thence N11(degree) 57'13" W, a distance of 210.63 feet to an iron pipe located at the Southerly right of way line of Southpoint Parkway, as said right of way is described in Deed of Dedication recorded in Official Records Volume 5731, Page 850, Public Records of said County; run thence Easterly, along said right of way line and along the arc of a curve, concave Southerly with a radius of 1,068.70 feet to an arc distance of 184.84 feet to an iron pipe located at the point of tangency of said curve, said arc being subtended by a chord bearing and distance of S75(degree) 31'55" E, 184.94 feet; run thence S72(degree) 21'25" E, along said right of way line, a distance of 320.00 feet to a point of curvature; run thence along said right of way line and along the arc of a curve, concave Northerly with a radius of 1,405.01 feet, an arc distance of 59.26 feet to an iron pipe located at a point of reverse curvature, said arc being subtended by a chord bearing and distance of S73(degree) 33'55" E, 59.25 feet; run thence Southeasterly,

along the arc of a curve, concave Southeasterly with a radius of 35.00 feet, an arc distance of 53.28 feet to an iron pipe located at a point of tangency, lying on the Westerly right of way line of Southport Boulevard, said arc being subtended by a chord bearing and distance of S31(degree) 10'01" E, 48.28 feet; run thence S12(degree) 26'24" W, along said right of way line, a distance of 8.52 feet to an iron pipe located at a point of curvature; run thence Southerly, along said right of way line and along the arc of a curve, concave Easterly with a radius of 290.56 feet, an arc distance of 143.58 feet to an iron pipe located at the point of tangency of said curve, said arc being subtended by a chord bearing and distance of S1(degree) 12'97" E, 142.12 feet; run thence S15(degree) 52'15" E, along said right of way line, a distance of 315.97 feet to an iron pipe located at the Northeasterly corner of those lands described in Official Records Volume 5718, Page 2214, Public Records of said County; run thence S74(degree) 07'42" W, along the Northerly boundary of said lands, a distance of 551.40 feet to an iron pipe located at the Northwesterly corner of said lands, said point lying on the Easterly boundary of that aforementioned tract described in Deed Book 671, Page 159, said Public Records;

INTERMEDIA 14.25 10/01/01 COMMUNICATIONS/10	702-950	3317	9/08/92	9/30/07(3)	3338.94	47267.28
10/01/02						
10/01/03						
10/01/04						
10/01/05						
10/01/06 *** VACANT *** 0.00	702-5229	0			0.00	0.00

TOTALS: 16.46		79037			107366.34	1288396.46

Total Occupied Square Feet:		78282				
Total Vacant Square Feet:		755				

GRAND TOTALS: 16.46		79037			107366.34	1288396.08

Total Occupied Square Feet:		78282				
Total Vacant Square Feet:		755				

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GROSS RENTS	BASE RENT	OPERATING EXPENSE		REAL ESTATE TAX		CPI EXPENSE	
	INCREASE	MONTH	SQ.FT/YR	MONTH	SQ.FT/YR	MONTH	SQ.FT/YR
TENANT	(AMOUNT)						
SQ.FT/YR							
TOTAL							

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
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MISCELLANEOUS RECEIPTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00 0.00							
DEPT OF HIGHWAY	1,460.80	0.00	0.00	0.00	0.00	0.00	0.00
14.05 3,460.60							
SAFETY (4)							
HOWARD B. WEISS, DO, PA	2,861.00	0.00	0.00	0.00	0.00	0.00	0.00
13.50 2,861.86							
	2,967.00						
	3,073.00						
	3,279.00						
*** VACANT ***	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00 0.00							
LCM IMAGING PA	1,552.59	0.00	0.00	0.00	0.00	0.00	0.00
14.04 1,532.59							
	1,630.00						
	1,711.83						
	1,796.93						
	1,006.55						
UNITED STATES OF	73,367.02	0.00	0.00	0.00	0.00	0.00	0.00
19.09 73,367.02							
AMERICA/GSA	57,526.27						
INTUITION, INC.	20,255.99	0.00	0.00	0.00	0.00	0.00	0.00
12.11 20,255.99							
	10,957.50						
	11,363.32						
	11,769.17						
FIRST COAST ON-LINE	866.67	0.00	0.00	0.00	0.00	0.00	0.00
13.00 866.67							
	900.00						
	933.33						
SOUTHPOINT GRILL	1,063.33	0.00	0.00	0.00	0.00	0.00	0.00
11.00 1,063.33							

	1,087.50							
	1,111.67							
	1,135.83							
	1,160.00							
*** VACANT ***	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00 0.00								
INTERMEDIA	3,938.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16.25 3,938.94								
COMMUNICATIONS/10	4,077.15							
	4,215.15							
	4,353.56							
	4,491.77							
	4,629.98							
*** VACANT ***	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00 0.00								
-----	-----	-----	-----	-----	-----	-----	-----	-----
TOTALS:		0.00	0.00	0.00	0.00	0.00	0.00	0.00
16.30 187,366.34								
	Total Occupied Square							
	Feet:							
	Total Vacant Square							
	Feet:							
-----	-----	-----	-----	-----	-----	-----	-----	-----
GRAND TOTALS:		0.00	0.00	0.00	0.00	0.00	0.00	0.00
16.30 107,366.34								
	Total Occupied Square							
	Feet:							
	Total Vacant Square							
	Feet:							

</TABLE>

- (1) M-T-M, Scheduled to vacate as of 2/28/02.
- (2) Amendment signed as of August 2001 to downsize to 9740 SF comencing 2/1/02.
- (3) Tenant shall have the right to terminate the Lease effective upon any September 30, commencing 9/3/02 upon notice on or before any May 31.
- (4) Pays one (1) month in arrears pursuant to the lease agreement.

SOUTHPOINT PARKWAY CENTER

January 9, 2002

Security Deposits

100	DEPT OF HIGHWAY SAFETY	\$0.00
101	HOWARD B. WEISS, DO, PA	\$3,385.64
301	VACANT	\$0.00
401	LCM IMAGING PA	\$1,760.49
500	UNITED STATES OF AMERICA/GSA	\$0.00
501	INTUITION, INC.	\$10,000.00
902	FIRST COAST ON-LINE	\$900.00
930	SOUTHPOINT GRILL	(L)966.67
940	VACANT	\$0.00
950	INTERMEDIA COMMUNICATIONS/0001	\$2,600.00
5229	VACANT	\$0.00

EXHIBIT C

TENANT DEFAULTS

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 Page 1
 Property: CEDAR INCOME FUND - FLORIDA
 702 44 5 BAYLES AVE 0304
 JACKSONVILLE, FL 32256
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BRENTWAY MANAGEMENT LLC
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 Activity Reconciliation Report
 Report Date From: 1/01/02 To: 1/31/02

<TABLE> <CAPTION>			Beginning	Charges and	Payments and	Payment	Ending
Unit Ref.	Deposits/	Name / Description	Balance	Adjustments	Adjustments	Date	Balance
Number	Suite						
Lease	Term						
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200		DEPT OF HIGHWAY SAFETY					
0.00							
3/01/91	RNT	MONTHLY RENT	3,461.80	3,460.60	3,460.80	1/08/02	3,461.80
2/26/01	OCR	PAYMENT TO OPEN CREDIT	-0.22	0.00	0.00		-0.22
--			3,461.56	3,460.80	3,460.80		
3,461.50	101	N.FLA OBSTETRICAL & GYN ASSOC					
0.0							
o/01/o7	OCR	PAYMENT TO OPEN CREDIT	-0.7	0.00	0.00		-0.07
7/31/00							
--			-0.7	0.00	0.00		-
0.07	101	HOWARD E. WEISS, DO, FA					
3,395.64							
10/01/00	STC	COUNTY SALES TAX	0.00	28.61	28.61	1/10/02	0.00
9/30/05	RNT	MONTHLY RENT	0.00	2,861.00	2,861.00	1/10/02	0.80
	OCR	PAYMENT TO OPEN CREDIT	-54.00	0.00	0.00		-54.00
	STX	SALES TAX	0.00	171.66	171.66	1/10/02	0.00
--			-54.00	3,061.27	3,061.27		-
54.00	301	HEWLETT-PACKARD COMPANY					
0.00							
Former							
4/01/94	OCR	PAYMENT TO OPEN CREDIT	-0.06	0.00	0.00		-0.06
3/31/01	STX	SALES TAX	0.06	0.00	0.00		
0.06							
--			0.00	0.00	0.00		
0.00	401	LCM IMAGING FA					
1,760.49							
4/01/96	STC	COUNTY SALES TAX	-15.53	15.53	0.00		
0.00	3/31/06						
	RNT	MONTHLY RENT	-1,552.59	1,552.59	0.00		0.80
	OCR	PAYMENT TO OPEN CREDIT	-1,591.55	0.00	0.00		-1,591.55
	STX	SALES TAX	-99.16	93.16	0.00		
0.00							
--			-3,252.83	1,661.28	0.00		-
1,591.55	500	UNITED STATES OF AMERICA G&A					
0.00							
12/15/91	RNT	MONTHLY RENT	73,367.02	73,367.02	20,682.48	1/03/02	126,051.56
12/14/04	OCR	PAYMENT TO OPEN CREDIT	26,307.57	0.00	41,431.36	1/14/02	-67,738.93
--			47,059.45	73,367.02	62,113.84		
58,312.63							

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11:04 am

BRENTWAY MANAGEMENT LLC

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User: MANAGER
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Activity Reconciliation Report

Property: CEDAR INCOME FUND - FLORIDA
702 44 5 BAYLES AVE o304
JACKSONVILLE, FL 32256

Report Date From: 1/01/02 To: 1/31/02

</TABLE>

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Unit Ref. Deposits/ Number Suite Lease Term	Name / Description	Beginning Balance	Charges and Adjustments	Payments and Adjustments	Payment Date	Ending Balance
501 10,000.00	INTUITION, INC.					
8/01/94 0.00	STC COUNTY SALES TAX 1/31/05	-202.60	202.60	0.00		
	RNT MONTHLY RENT	-0,255.99	20,255.99	0.00		0.00
	STX SALES TAX	-1,215.36	1,215.36	0.00		0.00
--		-21,679.95	21,679.95	0.00		
902 900.00	FIRST COAST ON-LINE					
7/01/98 6/30/04	STC COUNTY SALES TAX	8.66	8.66	8.66	1/07/02	8.66
	RNT MONTHLY RENT	866.67	866.67	866.67	1/07/02	866.67
	OCR PAYMENT TO OPEN CREDIT	-0.06	0.00	0.00		-0.06
	STX SALES TAX	52.00	52.00	52.00	1/07/02	52.00
--		927.27	927.33	927.33		
930 966.67	SOUTHPOINT GRILL					
5/01/96 4/30/06	STC COUNTY SALES TAX	0.00	10.64	10.64	1/22/02	0.00
	RNT MONTHLY RENT	0.00	1,063.33	1,063.33	1/22/02	0.00
	OCR PAYMENT TO OPEN CREDIT	-7.44	0.00	9.72	1/22/02	-11.16
	STX SALES TAX	0.00	63.79	63.79	1/22/02	0.00
--		-7.44	1,197.76	1,141.48		-
950 2,600.00	INTERMEDIA COMMUNICATIONS/0001					
9/08/92 9/30/07	STC COUNTY SALES TAX	110.58	99.40	157.60	1/29/02	-7.62
	RNT MONTHLY RENT	7,877.88	9,938.94	15,755.76	1/29/02	-3,998.94
	OCR PAYMENT TO OPEN CREDIT	-9.11	0.00	0.00		-9.11
	STX SALES TAX	581.16	296.33	945.32	1/29/02	-127.83
--		8,560.51	4,214.67	16,858.68		-

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11:04 am
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BRENTWAY MANAGEMENT LLC

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Activity Reconciliation Report

Property: CEDAR INCOME FUND - FLORIDA
702 44 5 BAYLES AVE o304
JACKSONVILLE, FL 32256

Report Date From: 1/01/02 To: 1/31/02

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Unit Ref. Deposits/ Number Suite Lease Term	Name / Description	Beginning Balance	Charges and Adjustments	Payments and Adjustments	Payment Date	Ending Balance
----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
PROPERTY TOTALS:						
19,612.00	STC	COUNTY SALES TAX	-98.89	305.44	205.51	
1.04	RNT	MONTHLY RENT	65,764.79	107,366.34	44,690.04	
126,441.09			--			
--	OCR	PAYMENT TO OPEN CREDIT	27,970.08	0.00	41,435.08	69,405.16
	STX	SALES TAX	-675.30	1,832.30	1,232.77	-75.77
--			-----	-----	-----	-----
			35,020.52		109,504.08	87,563.40
56,961.20						

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EXHIBIT D

SERVICE CONTRACTS

EXHIBIT D

CONTRACTS

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Vendor	Date of Agreement
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Emergency Systems, Inc.	January 7, 2000
Gateway Systems, Inc.	May 25, 1999
American Maintenance	March 1, 2000
Lawn Industries Inc.	August 31, 1999
CSI Waste Services	August 11, 1998
Kane-Jenkins Associates, Inc.	November 18, 1993
Florida Comfort, Inc.	April 1, 1992
Terminix	January 1, 2000

</TABLE>

EXHIBIT E

FORM OF TENANT ESTOPPEL LETTER

1

EXHIBIT E

TENANT ESTOPPEL CERTIFICATE

TO: DAVID E. GONZALES CORPORATION, a Maryland corporation, its successors
and assigns ("Buyer"), and

CEDAR INCOME FUND PARTNERSHIP, L.P., as ("Landlord").

RE: Lease ("Lease") dated _____, _____, known as Suite No.
_____ in _____, located at _____ City of _____

Jacksonville, Duval County, Florida ("Premises") between _____
("Landlord"), as Landlord, and _____ ("Tenant"), as Tenant, as
amended by _____

For \$10.00 and other good and sufficient consideration, receipt of which is hereby acknowledged, and for the purposes of providing information to Buyer regarding the Project known as _____ (the "Project"), the Lease and the Premises (as such terms are defined below), Tenant does hereby certify to Buyer and Landlord that all of the following statements are true as of the date of this Certificate:

1. That certain Lease between Landlord and Tenant is a binding agreement and is unmodified and in full force and effect as of the date hereof, except as specified above.
2. The commencement date of the Lease was _____ and the expiration date of the Lease is _____, unless otherwise extended in accordance with the terms of the Lease. Tenant has no renewal terms under the terms of the Lease, except as specified below.
Renewal terms: _____
3. The Premises consists of approximately _____ square feet of space, and Tenant's Pro Rata Share of common area maintenance expenses and other common charges, such as real estate taxes and insurance ("CAM") is _____%.
4. All Rent due under the Lease through _____, 2001 has been paid in full, and the next payment of Rent is due _____, 2001/2002. The current fixed minimum rent under the Lease is \$ _____, plus tax, per month. The current Additional Rent for CAM is \$ _____, plus tax, per month.
5. All rent, charges or other payments, if any, due Landlord under the Lease have been paid as of the date of this certification, and there has been no prepayments of rent or other obligations other than prepayment of rent for the current month.
6. Tenant is not entitled to any free rent or reduced rent for any period after the date hereof (except as indicated following this sentence). If none, state "none".

Free/Reduced Rent Entitlement: _____

7. Tenant has paid to Landlord a security deposit of \$ _____, which is being held by Landlord pursuant to the terms and conditions of the Lease and is not required to be held in a segregated account pursuant to the terms of the Lease. (If there is no security deposit, please insert the word "None" in the blank above). The Guarantor(s), if any, under the Lease is (if none, state "none"): _____

If there is a Guarantor, then a true and correct copy of the Guaranty is attached hereto for reference.

8. Neither Tenant nor Landlord is in default under any terms of the Lease nor is Tenant aware of any fact or circumstance which with the passage of time (after notice, if any, required by the Lease) would become an event of default by Tenant or Landlord under the Lease. To the best of Tenant's knowledge, no claim, controversy or dispute exists between Tenant and Landlord.
9. No refunds or other credits are due to Tenant for CAM (real estate taxes and/or common area maintenance or operating expenses) paid by Tenant to Landlord as Additional Rent for any calendar years ending on or before December 31, 2000.

2

10. Tenant has not assigned its interest in the Lease or sublet any of the Leased Premises, except as follows. If none, state "none."

11. Tenant has no known claims, defenses against Landlord, or set-offs or other amount owing from Landlord arising from the Lease, including, without limitation, any tenant improvement allowances, concessions or obligations on the part of the Landlord, except as follows. If none, state "none."

12. The Lease does not contain and Tenant does not have any outstanding options or rights of first refusal to lease any other portion of the

Project or to purchase the Project or any part thereof or the real property of which the Premises are a part.

- 13. There has not been filed by or against Tenant a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof, or any action brought under said bankruptcy laws with respect to Tenant.
- 14. All insurance required of Tenant by the Lease has been provided by the Tenant and all premiums paid.
- 15. Landlord has completed the build-out of the Premises, including all punch list items, in accordance with the Lease, and Tenant has accepted the Premises in its current condition and has entered into possession and occupancy of the Premises.
- 16. Tenant acknowledges:
 - (i) that Buyer has agreed to purchase the Project, and to accept an assignment of the Lease as Landlord; and
 - (ii) that Buyer requires this certification as a condition to the purchase of the Property and is relying thereon; and
 - (iii) that this certification shall be binding upon Tenant, and may be relied upon by Landlord and Buyer and the respective successors and assigns of each of them and all parties claiming through or under such persons or any such successor or assign;
 - (iv) any changes to this Estoppel Certificate must be made in writing and must be signed by both Buyer and Landlord.

IN WITNESS WHEREOF, the undersigned, being a duly authorized representative of Tenant, has caused this certificate to be executed this _____ day of _____, 2001.

TENANT:

a _____

By: _____

Name: _____

Title: _____

EXHIBIT F

PERMITTED EXCEPTIONS

A.L.T.A. COMMITMENT
CHICAGO TITLE INSURANCE COMPANY
SCHEDULE B -- Section 2

Commitment Number 150101587

- II. Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company.
 - 1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
 - 2. Standard Exceptions
 - a. Rights or claims of parties in possession not shown by the Public Records.
 - b. Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey and inspection of the premises.

- c. Easements, or claims of easements, not shown by the Public Records.
 - d. Any lien, or right to a lien, for service, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
 - e. Taxes or special assessments which are not shown as existing liens by the Public Records.
 - f. Any claim that any portion of said lands are sovereign lands of the State of Florida, including submerged, filled or artificially exposed lands and lands accreted to such lands.
 - g. Taxes and assessments for the year 2001 and subsequent years.
3. Standard exceptions (b) and (c) may be removed from the policy when a satisfactory survey and surveyor's report and inspection of the premises is made.
 4. Standard exceptions (a) and (d) may be removed upon receipt of a satisfactory affidavit-indemnity from the party shown in title and in possession stating who is in possession of the lands and whether there are improvements being made at date of commitment or contemplated to commence prior to the date of closing which will not have been paid for in full prior to the closing.
 5. Reservation of Drainage Easement recited in Warranty Deed recorded in Official Records Book 7189, Page 678, of the Public Records of Duval County, Florida, as to Parcel 1.
 6. Resolution 53-156-127 recorded in Official Records Book 5645, Page 2256, amended by City of Jacksonville Resolution 84-207-66 and Resolution 84-1098-347, and as amended by Resolution 84-1249-388 and City of Jacksonville Resolution 85-602-235 and 85-1393-434, as further amended by Notice of Substantial Deviation and other Amendments of Development Order recorded in Official Records Book 6007, Page 1780, and amended by Allocation of Square Footage made pursuant to Substantial Deviation to Development Order recorded in Official Records Book 6007, Page 1782, of the Public Records of Duval County, Florida, as amended by the City Council of Jacksonville Resolution Nos 87-1249-389, 88-1548-597 and 90-212-116 and further amended by Notice of Amendment to Southpoint Development Order recorded in Official Records Book 6423, Page 478 and Allocation recorded in Official Records Book 6078, Page 422 and further amended by Allocation of Development Rights-Southpoint recorded in Official Records Book 7189, Page 683, of the Public Records of Duval County, Florida, as to Parcels 1 and 2.
 7. Terms, provisions, conditions, easements, assessments, and restrictions created by and set forth in the declaration recorded May 23, 1983, in Official Records book 5662, Page 2106, of the Public Records of Duval County, Florida, as at Parcels 1 and 2.
 8. Restrictions, covenants and conditions contained in Declaration of Restrictive Covenants recorded November 30, 1984, in Official Records Book 5884, Page 1734, re-recorded in Official Records Book 5905, Page 371, and amended by Allocation of Office Space recorded in Official Records Book 5910, Page 494, Official Records Book 6909, Page 701; Affidavit recorded in Official Records Book 6337, Page 932, and amended by Allocation of Office Space recorded in Official Records Book 7101, Page 1229, of the Public Records of Duval County, Florida as to Parcel 1.
 9. Utility Easement set forth in Common Easement for Utilities recorded March 4, 1980, in Official Records Book 5064, page 384, of the Public Records of Duval County, Florida as to Parcels 1 and 2.
 10. Utility Easement set forth in Grant of Easement recorded August 21, 1980, in Official Records Book 5172, page 750, of the Public Records of Duval County, Florida, as to Parcels 1 and 2.
 11. Drainage and Underground Utility Easement set forth in Grant of Easement recorded December 8, 1983, in Official Records Book 5731, Page 831, of the Public Records of Duval County, Florida,

as to Parcel 1.

12. Easement granted to City of Jacksonville by instrument recorded on September 29, 1983, in Official Records Book 5731, Page 635, of the Public Records of Duval Country, Florida, as to Parcel 2.
13. Easement as described in Warranty Deed recorded in Official Records Book 5752, Page 1721, of the Public Records of Duval County, Florida, as to Parcel 2.
14. Terms, covenants, conditions and other matters contained in any unrecorded Lease(s) and all rights thereunder of the Lessee(s) and of any person claiming by, through or under the Lessee(s).

NOTE: 2000 Taxes are PAID under Parcel No. 152570-2075 in the gross amount of \$6,750.59. Date Paid: November 30, 2000. (As to Parcel 1).

NOTE: 2000 Taxes are PAID under Parcel No. 152862-0100 in the gross amount of \$107,490.23 Date Paid: November 30, 2000. (As to Parcel 2).

End of Schedule B - Section 2

EXHIBIT G

DUE DILIGENCE CONTRACTORS
AND PRE-APPROVED TESTS

EXHIBIT G

NONE

EXHIBIT H

CONFIDENTIALITY AGREEMENT

EXHIBIT H

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT ("Agreement") is made this _____ day of _____, 2002, by and between CEDAR INCOME FUND PARTNERSHIP, L.P. (hereinafter referred to as "The Company", and _____, a _____ ("Potential Buyer's Agent").

WHEREAS, The Company, is the owner of certain property located at 6800 Southpoint Parkway, Jacksonville, Florida (referred to herein as the "Property"); and

WHEREAS, ("Potential Buyer") has expressed an interest in purchasing the Property and has requested that The Company (i) provide Potential Buyer's Agent with certain documents relating to the Property for review and (ii) permit Potential Buyer's Agent to perform its own investigation of the Property; and

WHEREAS, The Company believes that it may suffer irreparable harm if the Evaluation Material (as hereinafter defined) is disclosed to third parties other than Potential Buyer's Agent; and

WHEREAS, in consideration of The Company furnishing Potential Buyer's Agent with information regarding the Property, Potential Buyer's Agent desires to make certain agreements regarding such information and any other information The Company, its agents and representatives furnish to Potential Buyer's Agent regarding the Property, together with all notes, analyses, compilations, studies or other documents, whether prepared by Potential Buyer's Agent or others, which contain or otherwise reflect such information (such information, and such documents, are collectively herein referred to as the "Evaluation Material").

NOW THEREFORE, in consideration of the promises and covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Potential Buyer's Agent enters into this Agreement:

Section 1. Term. This Agreement shall become effective as of the date first written above and shall terminate as to the Property only upon consummation of a sale of such Property by The Company to Potential Buyer ("Transaction").

Section 2. Limitation on Use. Potential Buyer's Agent shall use the Evaluation Material solely for the purpose of evaluating, negotiating and implementing the Transaction, and for no other purpose. Without the prior written consent of The Company, which consent may be withheld in its sole discretion, Potential Buyer's Agent shall not contact nor attempt to contact any tenant, lender, director, advisor, shareholder or other party in connection with any Property nor any of their respective officers, employees, agents or attorneys.

Section 3. Limited Access. Without the prior written consent of The Company to be granted or withheld in its sole discretion, Potential Buyer's Agent shall not disseminate or divulge the Evaluation Material, or any part thereof, to any person or entity, other than as set forth below. Potential Buyer's Agent shall limit access to the Evaluation Material to such persons who have a need for access to the Evaluation Material for the purpose of assisting and advising Potential Buyer's Agent in the evaluation, negotiation and implementation of the Transaction. Without the prior written consent of The Company, Potential Buyer's Agent shall not, directly or indirectly, contact, seek or attempt to seek any information from, any person other than The Company regarding the Property or the Evaluation Material.

Section 4. Confidentiality; Return of Documents. Potential Buyer's Agent agrees that Potential Buyer's Agent shall ensure that all persons to whom it discloses the Evaluation Material shall keep the Evaluation Material confidential. In the event that the Transaction is not consummated, Potential Buyer's Agent shall return to The Company, and shall ensure that all persons to whom it has disclosed the Evaluation Material shall return to The Company, all copies of the Evaluation Material, unless otherwise directed by The Company. Potential Buyer's Agent will inform The Company immediately of any improper disclosure of any of the Evaluation Material, and of any breach of any provision of this Agreement, which may come to Potential Buyer's Agent's attention.

Section 5. Liability. If The Company determines that Potential Buyer's Agent has breached any provision of this Agreement, Potential Buyer's Agent shall pay to The Company, at The Company's option, any compensation, consideration or any other benefits which it received, directly or indirectly, in any

transaction related to such violation and The Company, in its sole discretion, exercise any or all legal or equitable rights or remedies to which The Company is entitled on account of Potential Buyer's Agent's breach, including but not limited to monetary damages and/or an injunction. The Company shall not be deemed to have waived any of its rights or remedies on account of its failure, delay or forbearance in exercising any such right or remedy in a particular instance.

Section 6. Indemnification. Potential Buyer's Agent shall defend, indemnify and hold harmless The Company from and against any and all claims, demands, causes of action, losses, damages, liabilities, judgments, costs and expenses (including attorneys' fees) asserted against or incurred by The Company as a result of any violation of, or failure to comply with, the provisions of this Agreement by Potential Buyer's Agent or any person to whom it has disclosed the Evaluation Material.

Section 7. Release of The Company. Potential Buyer's Agent acknowledges and understands that some or all of the Evaluation Material may have been prepared by parties other than The Company, and further acknowledges and understands that The Company makes no representation or warranty whatsoever, express or implied, with respect to the content, completeness or accuracy of the Evaluation Material. Potential Buyer's Agent hereby releases The Company from all claims, demands, causes of action, losses, damages, liabilities, cost or expenses (including attorneys' fees) asserted against or incurred by Potential Buyer's Agent by reason of Potential Buyer's Agent's reliance on or knowledge of the Evaluation Material or by any other reason.

Section 8. Miscellaneous. This Agreement represents the entire agreement between Potential Buyer's Agent and The Company relating to the receipt, use and disclosure of the Evaluation Material, and may be amended only by written agreement signed by the parties hereto. This Agreement shall apply to and be binding upon Potential Buyer's Agent and its affiliates and subsidiaries and each of their respective directors, officers, employees, agents, successors and assigns. The representative signing this Agreement on behalf of Potential Buyer's Agent represents that he or she is fully authorized to enter into the terms and conditions of this Agreement and to bind legally Potential Buyer's Agent, The construction, interpretation and performance of this Agreement shall be governed by the laws of the United States of America, and to the extent that state law would apply, the laws of the State of New York, without

regard to conflicts of law principles thereof.

EXECUTED this _____ day of _____, 2002.
Potential Buyer's Agent

By: _____
Signature

Print Name

Title

Address:

AMENDMENT OF ADMINISTRATIVE AND ADVISORY AGREEMENT

This Amendment of Administrative and Advisory Agreement ("Amendment") is made as of August 21, 2000 by and between CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Owner") and CEDAR BAY REALTY ADVISORS, INC., a New York corporation ("Advisor").

BACKGROUND

(a) Cedar Income Fund, Ltd. and Advisor entered into an Administrative and Advisory Agreement ("Agreement") dated as of April 2, 1998 with respect to day-to-day administrative functions.

(b) Cedar Income Fund, Ltd. assigned to Owner, and Owner assumed, all of its rights and obligations under the Agreement, pursuant to an Assignment of Administrative and Advisory Agreement dated as of April 30, 1999.

(c) Owner and Advisor desire to extend the term of the Agreement for a period of five (5) years from the date hereof, subject to certain conditions hereinafter set forth, intended to require that Advisor achieve certain growth results for Owner.

NOW, THEREFORE, in consideration of the agreements and covenants herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Owner and Advisor agree as follows:

- (1) The term of the Agreement is hereby extended for a period five (5) years from the date hereof.
- (2) The Agreement may be terminated during such five (5) year period for cause, upon not less than sixty (60) days prior written notice given by the Owner by a majority of the Independent Directors (as defined in the Articles of Incorporation of the Owner) or by the Advisor by its duly authorized representatives, to the other party of its intention to so terminate and describing the basis for such termination.
- (3) The foregoing notwithstanding, the Agreement may be terminated upon not less than 60 days' prior written notice by the Owner by at least 75% of the Independent Directors given at any time during the 90 day period after the end of the third or fourth full calendar year during such five (5) year period, in the event the gross assets of the Owner fail to increase from January 1 of any such calendar year to January 1 of the following calendar year by at least 15% in value as reported on the books of account/financial statements of the Owner.
- (4) After such five (5) year period, the term of the Agreement shall automatically renew for terms of one (1) year each, subject to termination, upon not less than sixty (60) days prior written notice given by the Owner by a majority of the Independent Directors (as defined in the Articles of Incorporation of the Owner) or by the Advisor by its duly authorized representatives, to the other party of its intention to so terminate.
- (5) In the event of termination of the Agreement, neither party shall have any further rights, obligations or liabilities under the Agreement, except for those which are accrued through the effective date of such termination; provided, however, the Advisor shall cooperate with the Owner and take all reasonable steps requested to assist the Owner in making an orderly transition of the advisory function.
- (6) Except as modified by this Amendment, and as so modified, the parties hereto ratify and confirm the Agreement in all respects.
- (7) This Amendment may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement is sought.
- (8) This Amendment contains the entire understanding between the parties with respect to the matters contained herein.
- (9) This Amendment shall be binding upon, and inure to the benefit of, the parties hereto, their respective legal representatives, successors and assigns.

(10) This Amendment shall be governed and construed in accordance with the laws of the State of New York.

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

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

ADVISOR:
CEDAR BAY REALTY ADVISORS, INC.

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

SECOND AMENDMENT OF
ADMINISTRATIVE AND ADVISORY AGREEMENT

This Second Amendment of Administrative and Advisory Agreement ("Amendment") is made as of August 21, 2000, by and between CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Owner") and CEDAR BAY REALTY ADVISORS, INC., a New York corporation ("Advisor").

BACKGROUND

(a) Cedar Income Fund, Ltd. and Advisor entered into an Administrative and Advisory Agreement ("Original Agreement") dated as of April 2, 1998 with respect to day-to-day administrative functions.

(b) Cedar Income Fund, Ltd. assigned to Owner, and Owner assumed, all of its rights and obligations under the Agreement, pursuant to an Assignment of Administrative and Advisory Agreement dated as of April 30, 1999.

(c) Owner and Advisor amended the Original Agreement by Amendment of Administrative and Advisory Agreement dated November __, 1999 (the "First Amendment") which extended the term of the Original Agreement (the Original Agreement as amended by the First Amendment is hereinafter referred to as the "Agreement").

(d) Owner and Advisor desire to defer certain fees relative to certain acquisitions until the expiration or earlier termination of the Agreement.

NOW, THEREFORE, in consideration of the agreements and covenants herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Owner and Advisor agree as follows:

- (1) Any provision to the contrary notwithstanding, Owner and Advisor agree that the payment to Advisor of the acquisition fee described in Section 5.A (2) of the Original Agreement arising from the acquisition of any of the properties listed on Exhibit A (the "Deferred Fee") shall be deferred until the expiration or earlier termination of the Agreement and that such fees shall be paid in full within fifteen (15) days of such event.
- (2) The foregoing notwithstanding, in the event of expiration or termination of the Agreement on a date after December 31, 2004 but prior to December 31, 2005, payment to Advisor under paragraph (1) shall be 50% of the Deferred Fee. In the event of expiration or termination of the Agreement after December 31, 2005, such fees payable to Advisor, shall be reduced by 10 percentage points for each subsequent calendar year the Agreement remains in effect, until reduced to zero in the event of expiration or termination after December 31, 2009.
- (3) Except as modified by this Amendment, and as so modified, the parties hereto ratify and confirm the Agreement in all respects.
- (4) This Amendment may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement is sought.
- (5) This Amendment contains the entire understanding between the parties with respect to the matters contained herein.
- (6) This Amendment shall be binding upon, and inure to the benefit of, the parties hereto, their respective legal representatives, successors and assigns.
- (7) This Amendment shall be governed and construed in accordance with the laws of the State of New York.

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

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

ADVISOR:
CEDAR BAY REALTY ADVISORS, INC.

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

EXHIBIT A

The Golden Triangle Shopping Center, Lancaster, Pennsylvania

The Point Shopping Center, Harrisburg, Pennsylvania

Red Lion Shopping Center, Philadelphia, Pennsylvania

55 Northern Boulevard, Great Neck, New York

600 Northern Boulevard, Great Neck, New York

1010 Northern Boulevard, Great Neck, New York

THIRD AMENDMENT OF
ADMINISTRATIVE AND ADVISORY AGREEMENT

This Third Amendment of Administrative and Advisory Agreement ("Amendment") is made as of January 1, 2002, by and between CEDAR INCOME FUND PARTNERSHIP, L.P., a Delaware limited partnership ("Owner") and CEDAR BAY REALTY ADVISORS, INC., a New York corporation ("Advisor").

BACKGROUND

(a) Cedar Income Fund, Ltd. and Advisor entered into an Administrative and Advisory Agreement ("Original Agreement") dated as of April 2, 1998 with respect to day-to-day administrative functions.

(b) Cedar Income Fund, Ltd. assigned to Owner, and Owner assumed, all of its rights and obligations under the Original Agreement, pursuant to an Assignment of Administrative and Advisory Agreement ("Assignment") dated as of April 30, 1999.

(c) Owner and Advisor amended the Original Agreement by Amendment of Administrative and Advisory Agreement dated as of August 21, 2000 (the "First Amendment") which extended the term of the Original Agreement.

(d) Owner and Advisor further amended the Original Agreement by Second Amendment of Administrative and Advisory Agreement dated as of August 21, 2000 (the "Second Amendment") which deferred certain fees payable to Advisor until the expiration or earlier termination of the Original Agreement, as amended (the Original Agreement as Assigned by the Assignment and amended by the First Amendment and Second Amendment is hereinafter referred to as the "Agreement").

(e) Owner and Advisor desire to modify the formula for calculation of acquisition and disposition fees payable to Advisor for transactions closed on or after January 1, 2002.

NOW, THEREFORE, in consideration of the agreements and covenants herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Owner and Advisor agree as follows:

- (1) With respect to transactions closed on or after January 1, 2002, the acquisition fee described in Section 5.A.(2) shall be reduced from five percent (5%) to one percent (1%) of the gross purchase price and the disposition fee described in Section 5.A.(3) shall be reduced from three percent (3%) to one percent (1%) of the gross sales price. The foregoing reductions shall not apply to any transaction closed prior to January 1, 2002, whether or not the applicable fee has been paid to date.
- (2) Except as modified by this Amendment, and as so modified, the parties hereto ratify and confirm the Agreement in all respects.
- (3) This Amendment may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement is sought.
- (4) This Amendment contains the entire understanding between the parties with respect to the matters contained herein.
- (5) This Amendment shall be binding upon, and inure to the benefit of, the parties hereto, their respective legal representatives, successors and assigns.
- (6) This Amendment shall be governed and construed in accordance with the laws of the State of New York.

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

By: /s/ Leo S. Ullman

Name: Leo S. Ullman
Title: President

ADVISOR:
CEDAR BAY REALTY ADVISORS, INC.

By: /s/ Brenda J. Walker

Name: Brenda J. Walker
Title: Vice President

Exhibit 21
Subsidiaries

Cedar Income Fund Ltd., directly, or through Cedar Income Fund Partnership, L.P., has the following subsidiaries all of which, are property holding companies:

Academy Plaza L.L.C. 2

Academy Plaza L.L.C. 1

Cedar Center Holdings L.L.C. 3

Greentree Road L.L.C. 1

The Point Shopping Center LLC

Port Richmond L.L.C. 2

Port Richmond L.L.C. 1

Washington Center L.L.C. 2

Washington Center L.L.C. 1

Greentree Road L.L.C.2