

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

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER: 001-31817

CEDAR REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation or organization)

42-1241468
(I.R.S. Employer
Identification Number)

44 South Bayles Avenue, Port Washington, NY
(Address of principal executive offices)

11050-3765
(Zip Code)

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

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

Title of each class	Name of each exchange on which registered
Common Stock, \$0.06 par value	New York Stock Exchange
8-7/8% Series A Cumulative Redeemable Preferred Stock, \$25.00 Liquidation Value	New York Stock Exchange
7-1/4% Series B Cumulative Redeemable Preferred Stock, \$25.00 Liquidation Value	New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes 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.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Based on the closing sales price on June 30, 2012 of \$5.05 per share, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$345,457,000.

The number of shares outstanding of the registrant's Common Stock \$0.06 par value was 71,794,750 on February 28, 2013.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive proxy statement relating to its 2013 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Part I.

Items 1 and 2. Business and Properties

General

Cedar Realty Trust, Inc. (the “Company”), organized in 1984, is a fully-integrated real estate investment trust which focuses primarily on ownership and operation of grocery-anchored shopping centers straddling the Washington DC to Boston corridor. At December 31, 2012, the Company owned and managed a portfolio of 67 operating properties (excluding properties “held for sale/conveyance”) totaling approximately 9.8 million square feet of gross leasable area (“GLA”). The portfolio was 91.9% occupied and 92.7% leased at December 31, 2012.

In keeping with its stated goal of reducing overall leverage to an appropriate level by selling non-core assets, the Company determined in 2011 (1) to completely exit the Ohio market, principally the Discount Drug Mart portfolio of drugstore/convenience centers, and concentrate on the region straddling the Washington DC to Boston corridor, (2) to concentrate on grocery-anchored strip centers, by disposing of its mall and single-tenant/triple-net-lease properties, (3) to focus on improving operations and performance at the Company’s remaining properties, and (4) to reduce development activities, by disposing of certain development projects, land acquired for development, and other non-core assets.

On October 10, 2012, the Company concluded definitive agreements with RioCan Real Estate Investment Trust (“RioCan”) to exit the 20% Cedar / 80% RioCan joint venture that owned 22 retail properties. On October 12, 2012, the Company concluded definitive agreements with Homburg Invest Inc. (“HII”) relating to the application of the buy/sell provisions of the joint venture agreements for each of the nine properties owned by the joint venture. See Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Transactions below for additional information relating to these transactions.

The Company has elected to be taxed as a real estate investment trust (“REIT”) under applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”). To qualify as a REIT under those provisions, the Company must have a preponderant 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 real estate portfolio consisting primarily of grocery-anchored shopping centers straddling the Washington DC to Boston corridor, which will provide substantial cash flow, currently and in the future, taking into account an acceptable modest risk profile, and which will present opportunities for additional growth in income and capital appreciation.

The Company, organized as a Maryland corporation, has established an umbrella partnership structure through the contribution of substantially all of its assets to Cedar Realty Trust Partnership L.P. (the “Operating Partnership”), organized as a limited partnership under the laws of Delaware. The Company conducts substantially all of its business through the Operating Partnership. At December 31, 2012, the Company owned 99.6% of the Operating Partnership and is its sole general partner. The approximately 281,000 limited Operating Partnership Units (“OP Units”) are economically equivalent to the Company’s common stock and are convertible into the Company’s common stock at the option of the holders on a one-to-one basis.

The Company derives substantially all of its revenues from rents and operating expense reimbursements received pursuant to long-term leases. The Company’s operating results

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therefore depend on the ability of its tenants to make the payments required by the terms of their leases. The Company focuses its investment activities on grocery-anchored community shopping centers. The Company believes that, because of the need of consumers to purchase food and other staple goods and services generally available at such centers, its type of "necessities-based" properties should provide relatively stable revenue flows even during difficult economic times.

The Company, the Operating Partnership, their subsidiaries and affiliated partnerships are separate legal entities. For ease of reference, the terms "we", "our", "us", "Company" and "Operating Partnership" (including their respective subsidiaries and affiliates) refer to the business and properties of all these entities, unless the context otherwise requires. The Company's executive offices are located at 44 South Bayles Avenue, Port Washington, New York 11050-3765 (telephone 516-767-6492). The Company also maintains property management, construction management and/or leasing offices at several of its shopping-center properties. The Company's website can be accessed at www.cedarrealtytrust.com, where a copy of the Company's Forms 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission ("SEC") can be obtained free of charge. These SEC filings are added to the website as soon as reasonably practicable. The Company's Code of Ethics, corporate governance guidelines and committee charters are also available on the website.

The Company's Properties

Consolidated Portfolio

The following tables summarize information relating to the Company's consolidated portfolio as of December 31, 2012:

<u>State</u>	<u>Number of properties</u>	<u>GLA</u>	<u>Percentage of GLA</u>
Pennsylvania	31	5,241,641	53.4%
Massachusetts	8	1,308,908	13.3%
Connecticut	6	1,049,125	10.7%
Maryland	7	835,972	8.5%
Virginia	11	817,392	8.3%
New Jersey	3	373,065	3.8%
New York	1	194,082	2.0%
Total consolidated portfolio	<u>67</u>	<u>9,820,185</u>	<u>100.0%</u>

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Tenant Concentration

<u>Tenant</u>	<u>Number of stores</u>	<u>GLA</u>	<u>% of GLA</u>	<u>Annualized base rent</u>	<u>Annualized base rent per sq. ft.</u>	<u>Percentage annualized base rents</u>
Top twenty tenants (a):						
Giant Foods	14	912,000	9.3%	\$ 13,789,000	\$ 15.12	12.8%
LA Fitness	7	282,000	2.9%	4,447,000	15.77	4.1%
Farm Fresh	6	364,000	3.7%	3,909,000	10.74	3.6%
Stop & Shop	4	271,000	2.8%	2,805,000	10.35	2.6%
Dollar Tree	19	194,000	2.0%	1,928,000	9.94	1.8%
Food Lion	7	243,000	2.5%	1,925,000	7.92	1.8%
Staples	5	104,000	1.1%	1,701,000	16.36	1.6%
Shop Rite	2	118,000	1.2%	1,695,000	14.36	1.6%
Redner's	4	202,000	2.1%	1,514,000	7.50	1.4%
United Artist	1	78,000	0.8%	1,411,000	18.09	1.3%
Shaw's	2	125,000	1.3%	1,389,000	11.11	1.3%
Marshall's	6	170,000	1.7%	1,366,000	8.04	1.3%
Shoppers Food Warehouse	2	120,000	1.2%	1,237,000	10.31	1.2%
Ukrop's	1	63,000	0.6%	1,163,000	18.46	1.1%
Kohl's Department Store	2	149,000	1.5%	1,113,000	7.47	1.0%
Carmike Cinema	1	45,000	0.5%	1,034,000	22.98	1.0%
Giant Eagle	1	84,000	0.9%	922,000	10.98	0.9%
Wal-Mart	2	150,000	1.5%	838,000	5.59	0.8%
Dick's Sporting Goods	1	56,000	0.6%	812,000	14.50	0.8%
Rite Aid	5	54,000	0.5%	799,000	14.80	0.7%
Sub-total top twenty tenants	92	3,784,000	38.5%	45,797,000	12.10	42.6%
Remaining tenants	821	5,244,000	53.4%	61,639,000	11.75	57.4%
Sub-total all tenants (b)	913	9,028,000	91.9%	\$107,436,000	\$ 11.90	100.0%
Vacant space	N/A	792,000	8.1%			
Total	913	9,820,000	100.0%			

(a) Several of the tenants listed above share common ownership with other tenants including, without limitation, (i) Giant Foods, Stop & Shop, and Martin's at Glen Allen (GLA of 63,000; annualized base rent of \$418,000), and (ii) Farm Fresh, Shaw's, Shop 'n Save (GLA of 53,000; annualized base rent of \$412,000), Shoppers Food Warehouse, and Acme Markets (GLA of 172,000; annualized base rent of \$756,000).

(b) Comprised of large tenants (greater than 15,000 sq. ft.) and small tenants as follows:

	<u>GLA</u>	<u>% of GLA</u>	<u>Annualized base rent</u>	<u>Annualized base rent per sq. ft.</u>	<u>Percentage annualized base rents</u>
Large tenants	6,322,000	70.0%	\$ 63,681,000	\$ 10.07	59.3%
Small tenants	2,706,000	30.0%	43,755,000	16.17	40.7%
Total	<u>9,028,000</u>	<u>100.0%</u>	<u>\$107,436,000</u>	<u>\$ 11.90</u>	<u>100.0%</u>

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Lease Expirations

Year of lease expiration	Number of leases expiring	GLA expiring	Percentage of GLA expiring	Annualized expiring base rents	Annualized expiring base rent per sq. ft.	Percentage of annualized expiring base rents
Month-to-Month	36	92,000	1.0%	\$ 1,275,000	\$ 13.86	1.2%
2013	120	460,000	5.1%	6,344,000	13.79	5.9%
2014	146	1,269,000	14.1%	12,177,000	9.60	11.3%
2015	148	1,282,000	14.2%	13,852,000	10.80	12.9%
2016	114	922,000	10.2%	10,172,000	11.03	9.5%
2017	113	912,000	10.1%	11,838,000	12.98	11.0%
2018	57	643,000	7.1%	8,533,000	13.27	7.9%
2019	27	332,000	3.7%	3,878,000	11.68	3.6%
2020	34	880,000	9.7%	8,208,000	9.33	7.6%
2021	37	419,000	4.6%	6,262,000	14.95	5.8%
2022	20	139,000	1.5%	1,895,000	13.63	1.8%
2023	16	168,000	1.9%	2,225,000	13.24	2.1%
Thereafter	45	1,510,000	16.7%	20,777,000	13.76	19.3%
All tenants	913	9,028,000	100.0%	\$107,436,000	\$ 11.90	100.0%
Vacant space	N/A	792,000	N/A			
Total portfolio	913	9,820,000	N/A			

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Real Estate Summary

<u>Property description</u>	<u>Percent owned</u>	<u>Year acquired</u>	<u>GLA</u>	<u>Percent occupied</u>	<u>Average base rent per sq. ft. (a)</u>	<u>Major tenants (b)</u>
<u>Connecticut</u>						
Groton Shopping Center Jordan Lane	100%	2007	117,186	84.3%	\$ 11.65	TJ Maxx
	100%	2005	177,504	99.2%	10.89	Stop & Shop CW Price Retro Fitness
New London Mall	40%	2009	259,293	94.2%	14.24	Shop Rite Marshalls Homegoods Petsmart AC Moore
Oakland Commons	100%	2007	90,100	100.0%	6.37	Wal-Mart Bristol Ten Pin
Southington Shopping Center	100%	2003	155,842	97.8%	6.85	Wal-Mart NAMCO
The Brickyard	100%	2004	249,200	68.2%	7.58	Home Depot Kohl's
Total Connecticut			<u>1,049,125</u>	88.8%	10.15	
<u>Maryland</u>						
Kenley Village	100%	2005	51,894	73.7%	8.77	Food Lion
Metro Square	100%	2008	71,896	100.0%	18.87	Shoppers Food Warehouse
Oakland Mills	100%	2005	58,224	100.0%	13.39	Food Lion
San Souci Plaza	40%	2009	264,134	78.7%	9.93	Shoppers Food Warehouse Marshalls Maximum Health and Fitness
St. James Square	100%	2005	39,903	100.0%	11.42	Food Lion
Valley Plaza	100%	2003	190,939	100.0%	4.98	K-Mart Ollie's Bargain Outlet Tractor Supply
Yorktowne Plaza	100%	2007	<u>158,982</u>	91.1%	13.32	Food Lion
Total Maryland			<u>835,972</u>	90.0%	10.47	
<u>Massachusetts</u>						
Fieldstone Marketplace	100%	2005/2012	193,970	95.8%	11.36	Shaw's Flagship Cinema New Bedford Wine and Spirits
Franklin Village Plaza	100%	2004/2012	304,347	92.6%	20.31	Stop & Shop Marshalls Team Fitness
Kings Plaza	100%	2007	168,243	92.7%	6.15	Work Out World CW Price Ocean State Job Lot Savers

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<u>Property description</u>	<u>Percent owned</u>	<u>Year acquired</u>	<u>GLA</u>	<u>Percent occupied</u>	<u>Average base rent per sq. ft. (a)</u>	<u>Major tenants (b)</u>
<u>Massachusetts (continued)</u>						
Norwood Shopping Center	100%	2006	102,459	98.2%	7.32	Hannaford Brothers Rocky's Ace Hardware Dollar Tree
Price Chopper Plaza	100%	2007	101,824	91.1%	11.00	Price Chopper
The Shops at Suffolk Downs	100%	2005	121,251	86.8%	12.62	Stop & Shop
Timpany Plaza	100%	2007	183,775	97.0%	6.83	Stop & Shop Big Lots Gardner Theater
West Bridgewater Plaza	100%	2007	133,039	96.9%	8.78	Shaw's Big Lots Planet Fitness
Total Massachusetts			<u>1,308,908</u>	93.9%	11.57	
<u>New Jersey</u>						
Carll's Corner	100%	2007	129,582	85.4%	8.85	Acme Markets Peebles
Pine Grove Plaza	100%	2003	86,089	100.0%	10.13	Peebles
Washington Center Shoppes	100%	2001	157,394	93.4%	8.82	Acme Markets Planet Fitness
Total New Jersey			<u>373,065</u>	92.1%	9.16	
<u>New York</u>						
Carman's Plaza	100%	2007	<u>194,082</u>	91.8%	17.11	Pathmark Extreme Fitness Home Goods Department of Motor Vehicle
<u>Pennsylvania</u>						
Academy Plaza	100%	2001	137,662	90.3%	13.63	Acme Markets
Camp Hill	100%	2002	470,117	99.3%	13.56	Boscov's Giant Foods LA Fitness Orthopedic Inst of PA Barnes & Noble Staples
Carbondale Plaza	100%	2004	120,689	100.0%	6.76	Weis Markets Peebles
Circle Plaza	100%	2007	92,171	100.0%	2.74	K-Mart

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<u>Property description</u>	<u>Percent owned</u>	<u>Year acquired</u>	<u>GLA</u>	<u>Percent occupied</u>	<u>Average base rent per sq. ft. (a)</u>	<u>Major tenants (b)</u>
Pennsylvania (cotnined)						
Colonial Commons	100%	2011	466,233	86.5%	12.82	Giant Foods Dick's Sporting Goods L.A. Fitness Ross Dress For Less Marshalls JoAnn Fabrics David's Furniture Office Max
Crossroads II	60%	2008	133,717	92.1%	20.03	Giant Foods
Fairview Commons	100%	2007	42,314	53.3%	9.68	Family Dollar
Fairview Plaza	100%	2003	71,979	100.0%	12.39	Giant Foods
Fort Washington	100%	2002	41,000	100.0%	19.90	LA Fitness
Gold Star Plaza	100%	2006	71,720	82.2%	8.91	Redner's
Golden Triangle	100%	2003	202,943	98.2%	12.47	LA Fitness Marshalls Staples Just Cabinets Aldi
Halifax Plaza	100%	2003	51,510	100.0%	11.89	Giant Foods
Hamburg Commons	100%	2004	99,580	96.4%	6.52	Redner's Peebles
Huntingdon Plaza	100%	2004	142,845	71.9%	5.18	Sears Peebles
Lake Raystown Plaza	100%	2004	142,559	95.7%	12.31	Giant Foods Tractor Supply
Liberty Marketplace	100%	2005	68,200	89.4%	17.56	Giant Foods
Meadows Marketplace	100%	2004/2012	91,518	100.0%	15.43	Giant Foods
Mechanicsburg Giant	100%	2005	51,500	100.0%	21.78	Giant Foods
Newport Plaza	100%	2003	64,489	100.0%	11.55	Giant Foods
Northside Commons	100%	2008	64,710	96.1%	9.89	Redner's Market
Palmyra Shopping Center	100%	2005	111,051	89.2%	6.00	Weis Markets Goodwill
Port Richmond Village	100%	2001	154,908	96.8%	12.51	Thriftway Pep Boys City Stores, Inc.
River View Plaza	100%	2003	226,786	90.5%	18.63	United Artists Avalon Carpet Pep Boys Staples

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<u>Property description</u>	<u>Percent owned</u>	<u>Year acquired</u>	<u>GLA</u>	<u>Percent occupied</u>	<u>Average base rent per sq. ft. (a)</u>	<u>Major tenants (b)</u>
Pennsylvania (continued)						
South Philadelphia	100%	2003	283,415	79.3%	14.58	Shop Rite Ross Dress For Less LA Fitness Modell's
Swede Square	100%	2003	100,816	97.0%	16.10	LA Fitness
The Commons	100%	2004	203,426	87.5%	9.34	Bon-Ton Shop 'n Save TJ Maxx
The Point	100%	2000	268,037	99.0%	12.41	Burlington Coat Factory Giant Foods AC Moore Staples
Townfair Center	100%	2004	218,662	100.0%	9.11	Lowe's Home Centers Giant Eagle Michael's Store
Trexler Mall	100%	2005	339,363	88.7%	9.66	Kohl's Bon-Ton Lehigh Wellness Partners Trexlerstown Fitness Club Marshall's
Trexlerstown Plaza	100%	2006	316,143	78.9%	13.22	Giant Foods Redner's Big Lots Sears Tractor Supply
Upland Square	60%	2007	391,578	92.8%	16.92	Giant Foods Carmike Cinema LA Fitness Best Buy TJ Maxx Bed, Bath & Beyond A.C. Moore Staples
Total Pennsylvania			<u>5,241,641</u>	91.5%	12.63	
Virginia						
Annie Land Plaza	100%	2006	42,500	97.18%	9.39	Food Lion
Coliseum Marketplace	100%	2005	105,998	100.00%	15.97	Farm Fresh Michael's
Elmhurst Square	100%	2006	66,250	89.10%	9.46	Food Lion
General Booth Plaza	100%	2005	71,639	96.65%	12.89	Farm Fresh

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<u>Property description</u>	<u>Percent owned</u>	<u>Year acquired</u>	<u>GLA</u>	<u>Percent occupied</u>	<u>Average base rent per sq. ft. (a)</u>	<u>Major tenants (b)</u>
Virginia (continued)						
Kempsville Crossing	100%	2005	94,477	97.30%	11.21	Farm Fresh
Martin's at Glen Allen	100%	2005	63,328	100.00%	6.61	Martin's
Oak Ridge Shopping Center	100%	2006	38,700	100.00%	10.56	Food Lion
Smithfield Plaza	100%	2005/2008	134,664	96.40%	9.23	Farm Fresh Maxway Peebles
Suffolk Plaza	100%	2005	67,216	100.00%	9.40	Farm Fresh
Ukrop's at Fredericksburg	100%	2005	63,000	100.00%	18.47	Ukrop's Supermarket
Virginia Little Creek	100%	2005	69,620	100.00%	11.12	Farm Fresh
Total Virginia			817,392	97.8%	11.46	
Total Consolidated Portfolio			9,820,185	91.9%	\$ 11.90	

(a) Average base rent is calculated as the aggregate, annualized contractual minimum rent for all occupied spaces divided by the aggregate GLA of all occupied spaces as of December 31, 2012. Tenant concessions are reflected in this measure except for a limited number of short-term (generally one to three months) free rent concessions provided to new tenants that took occupancy prior to the end of the reporting period but within the concession period. Average base rent would have been \$11.79 per square foot if all such free rent concessions were reflected.

The terms of the Company's retail leases generally vary from tenancies at will to 25 years, excluding renewal options. Anchor tenant leases are typically for 10 to 25 years, with one or more renewal options available to the lessee upon expiration of the initial lease term. By contrast, smaller store leases are typically negotiated for five-year terms. The longer terms of major tenant leases serve to protect the Company against significant vacancies and to assure the presence of strong tenants which draw consumers to its centers. The shorter terms of smaller store leases allow the Company under appropriate circumstances to adjust rental rates periodically for non-major store space and, where possible, to upgrade or adjust the overall tenant mix.

Most leases contain provisions requiring tenants to pay their pro rata share of real estate taxes, insurance and certain operating costs. Some leases also provide that tenants pay percentage rent based upon sales volume generally in excess of certain negotiated minimums.

Giant Food Stores, LLC, Stop & Shop, Inc. and Martin's at Glen Allen, each of which is owned by Ahold N.V., a Netherlands corporation, leased an aggregate of approximately 13%, 13% and 11% of the Company's GLA at December 31, 2012, 2011 and 2010, respectively, and accounted for an aggregate of approximately 15%, 14% and 14% of the Company's total revenues during 2012, 2011 and 2010, respectively. No other tenant leased more than 10% of GLA at December 31, 2012, 2011 or 2010, or contributed more than 10% of total revenues during 2012, 2011 or 2010.

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Executive Offices

The Company's executive offices are located at 44 South Bayles Avenue, Port Washington, New York, in which it presently occupies approximately 14,700 square feet pursuant to a lease from a partnership owned in part by the Company's former Chairman and Chief Executive Officer. The lease expires in February 2020.

Competition

The Company believes that competition for the acquisition and operation of retail shopping and convenience centers is highly fragmented. It faces competition from institutional investors, public and private REITs, owner-operators engaged in the acquisition, ownership and leasing of shopping centers, as well as from numerous local, regional and national real estate developers and owners in each of its markets. It also faces competition in leasing available space at its properties to prospective tenants. Competition for tenants varies depending upon the characteristics of each local market in which the Company owns and manages properties. The Company believes that the principal competitive factors in attracting tenants in its market areas are location, price and other lease terms, the presence of anchor tenants, the mix, quality and sales results of other tenants, and maintenance, appearance, access and traffic patterns of its properties.

Environmental Matters

Under various federal, state, and local laws, ordinances and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or other contaminants at property owned, leased, managed or otherwise operated by such person, and may be held liable to a governmental entity or to third parties for property damage, and for investigation and cleanup costs in connection with such contamination. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such conditions, may adversely affect the owner's, lessor's or operator's ability to sell or rent such property or to arrange financing using such property as collateral. In connection with the ownership, operation and management of real estate, the Company may potentially become liable for removal or remediation costs, as well as certain other related costs and liabilities, including governmental fines and injuries to persons and/or property. Generally, the Company's tenants must comply with environmental laws and meet any remediation requirements. In addition, leases typically impose obligations on tenants to indemnify the Company from any compliance costs the Company may incur as a result of environmental conditions on the property caused by the tenant. However, if a lease does not require compliance, or if a tenant fails to or cannot comply, the Company could be forced to pay these costs.

The Company believes that environmental studies conducted at the time of acquisition with respect to its properties have not revealed environmental liabilities that would have a material adverse effect on its business, results of operations or liquidity. However, no assurances can be given that existing environmental studies with respect to any of the properties reveal all environmental liabilities, that any prior owner of or tenant at a property did not create a material environmental condition not known to the Company, or that a material environmental condition does not otherwise exist at any one or more of its properties. If a material environmental condition does in fact exist, it could have an adverse impact upon the Company's financial condition, results of operations and liquidity.

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Employees

As of December 31, 2012, the Company had 88 employees (84 full-time and four part-time). The Company believes that its relations with its employees are good.

Item 1A. Risk Factors

Although improving, economic conditions in the U.S. economy in general, and specifically uncertainty in the credit markets and retail environment, could adversely affect our ability to continue to pay dividends or cause us to reduce further the amount of our dividends.

The Company paid dividends totaling \$0.20 per share during 2012, reduced from \$0.36 per share during 2011. However, as a result of the state of the U.S. economy, constrained capital markets, and the difficult retail environment, there can be no assurance that the Company will not be forced, once again, to reduce or suspend (as done on April 2, 2009 until reinstated on January 20, 2010) the payment of dividends.

Any volatility and instability in the credit markets could adversely affect our ability to obtain new financing or to refinance existing indebtedness

Any instability in the credit markets may negatively impact our ability to access debt financing, to arrange property-specific financing or to refinance our existing debt as it matures on favorable terms or at all. As a result, we may be forced to seek potentially less attractive financings, including equity investments, on terms that may not be favorable to us. In doing so, the Company may be compelled to dilute the interests of existing shareholders that could also adversely reduce the trading price of our common stock.

Our properties consist primarily of grocery-anchored community shopping centers. Our performance therefore is linked to economic conditions in the market for retail space generally.

Our properties consist primarily of grocery-anchored community shopping centers, and our performance therefore is linked to economic conditions in the market for retail space generally. This also means that we are subject to the risks that affect the retail environment generally, including the levels of consumer spending, the willingness of retailers to lease space in our shopping centers, tenant bankruptcies, changes in economic conditions and consumer confidence. A downturn in the U.S. economy and reduced consumer spending could impact our tenants' ability to meet their lease obligations due to poor operating results, lack of liquidity or other reasons, and therefore decrease the revenue generated by our properties and/or the value of our properties. Our ability to lease space and negotiate and maintain favorable rents could also be negatively impacted by the state of the U.S. economy. Moreover, the demand for leasing space in our shopping centers could also significantly decline during a significant downturn in the U.S. economy that could result in a decline in our occupancy percentage and reduction in rental revenues. The U.S. economy has experienced, and is expected to continue to experience, substantial unemployment at rates which approach their highest levels in the country's history. Such levels of reported unemployment may in fact mask more serious unemployment issues, such as persons who have not sought to re-enter the labor force after having been unemployed for substantial periods of time and, further, may not fairly reflect persons who are under-employed or temporarily employed. Sustained levels of high unemployment can be expected to have a serious negative impact on consumer spending in affected areas. While unemployment levels may vary considerably in different areas of the country, and within the

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markets in which we presently operate, any sustained unemployment may have a continuing negative impact on sales by our tenants at our various shopping centers.

There has been ongoing pressure on prices of petroleum products resulting from actual or potential dislocations in the world's supply caused by political turmoil in countries which are major sources or distribution links for such products. This has tended to adversely impact the pricing of gasoline, among other products, in this country, which may cause shoppers to restrict their trips by automobile to shopping centers, reduce their purchases of gasoline and other products from the fuel service stations at several of our properties, as well as reduce their levels of discretionary spending, all of which, in turn, could adversely affect sales at our properties.

Our performance and value are subject to risks associated with real estate assets and with the real estate industry.

Our performance and value are subject to risks associated with real estate assets and with the real estate industry, including, among other things, risks related to adverse changes in national, regional and local economic and market conditions. Our continued ability to make expected distributions to our shareholders depends on our ability to generate sufficient revenues to meet operating expenses, future debt service and capital expenditure requirements. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution and the value of our properties. These events and conditions include, but may not be limited to, the following:

1. local oversupply, increased competition or declining demand for real estate;
2. local economic conditions, which may be adversely impacted by plant closings, business layoffs, industry slow-downs, weather conditions, natural disasters and other factors;
3. non-payment or deferred payment of rent or other charges by tenants, either as a result of tenant-specific financial ills, or general economic events or circumstances adversely affecting consumer disposable income or credit;
4. vacancies or an inability to rent space on acceptable terms;
5. increased operating costs, including real estate taxes, insurance premiums, utilities, and repairs and maintenance;
6. volatility and/or increases in interest rates, or the non-availability of funds in the credit markets in general;
7. increased costs of complying with current, new or expanded governmental regulations;
8. the relative illiquidity of real estate investments;
9. changing market demographics;
10. changing traffic patterns;
11. an inability to arrange property-specific replacement financing for maturing mortgage loans in acceptable amounts and/or on acceptable terms.

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Our substantial indebtedness and any constraints on credit may impede our operating performance, and put us at a competitive disadvantage.

Our substantial debt may harm our business and operating results by (1) requiring us to use a substantial portion of our available liquidity to pay required debt service and/or repayments or establish additional reserves, which would reduce amounts available for distributions, (2) placing us at a competitive disadvantage compared to competitors that have less debt or debt at more favorable terms, (3) making us more vulnerable to economic and industry downturns and reducing our flexibility in responding to changing business and economic conditions, and (4) limiting our ability to borrow more money for operations or capital expenditures. In addition, increases in interest rates may impede our operating performance and put us at a competitive disadvantage. Further, payments of required debt service or amounts due at maturity, or creation of additional reserves under loan agreements, could adversely affect our liquidity.

If we fail to dispose of properties presently held for sale or reduce our outstanding indebtedness, our financial condition and results of operations may be adversely affected.

We have announced plans to dispose of certain shopping centers and land parcels owned by us and to use the proceeds from the dispositions to reduce our outstanding indebtedness. If we fail to dispose of these properties in a timely fashion or if we do not realize the proceeds presently anticipated from such sales, we will not be able to reduce our outstanding debt as presently planned and we may require new or additional impairment provisions, which would adversely affect our financial condition and results of operations.

As substantially all of our revenues are derived from rental income, failure of tenants to pay rent or delays in arranging leases and occupancy at our properties could seriously harm our operating results and financial condition.

Substantially all of our revenues are derived from rental income from our properties. Our tenants may experience a downturn in their respective businesses and/or in the economy generally at any time that may weaken their financial condition. As a result, any such tenants may delay lease commencement, fail to make rental payments when due, decline to extend a lease upon its expiration, become insolvent, or declare bankruptcy. Any leasing delays, failure to make rental or other payments when due, or tenant bankruptcies, could result in the termination of tenants' leases, which would have a negative impact on our operating results. In addition, adverse market and economic conditions and competition may impede our ability to renew leases or re-let space as leases expire, which could harm our business and operating results.

Our business may be seriously harmed if a major tenant fails to renew its lease(s) or vacates one or more properties and prevents us from re-leasing such premises by continuing to pay base rent for the balance of the lease terms. In addition, the loss of such a major tenant could result in lease terminations or reductions in rent by other tenants at the affected properties, as provided in their respective leases.

We may be restricted from re-leasing space based on existing exclusivity lease provisions with some of our tenants. In these cases, the leases contain provisions giving the tenant the exclusive right to sell particular types of merchandise or provide specific types of services within the particular retail center, which limits the ability of other tenants within that center to sell such merchandise or provide such services. When re-leasing space after a vacancy by one of such other tenants, such lease provisions may limit the number and types of prospective tenants for the

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vacant space. The failure to re-lease space or to re-lease space on satisfactory terms could harm operating results.

Any bankruptcy filings by, or relating to, one of our tenants or a lease guarantor would generally bar efforts by us to collect pre-bankruptcy debts from that tenant, or lease guarantor, unless we receive an order permitting us to do so from the bankruptcy court. A bankruptcy by a tenant or lease guarantor could delay efforts to collect past due balances, and could ultimately preclude full or, in fact, any collection of such sums. If a lease is affirmed by the tenant in bankruptcy, all pre-bankruptcy balances due under the lease must generally be paid in full. However, if a lease is disaffirmed by a tenant in bankruptcy, we would have only an unsecured claim for damages, which would be paid normally only to the extent that funds are available, and only in the same percentage as is paid to all other members of the same class of unsecured creditors. It is possible, and indeed likely, that we would recover substantially less than, or in fact no portion of, the full value of any unsecured claims we hold, which may in turn harm our financial condition.

Specifically, Giant Food Stores, LLC, Stop & Shop, Inc. and Martin's at Glen Allen, each of which is owned by Ahold N.V., a Netherlands corporation, leased an aggregate of approximately 13% of the Company's GLA at December 31, 2012, and accounted for an aggregate of approximately 15% of the Company's total revenues during 2012. No other tenant leased more than 10% of GLA at December 31, 2012 or contributed more than 10% of total revenues during 2012.

“New Technology” developments may impact customer traffic at certain tenants' stores and ultimately sales at such stores.

We may be adversely affected by developments of new technology which may cause the business of certain of our tenants to become substantially diminished or functionally obsolete, with the result that such tenants may be unable to pay rent, become insolvent, file for bankruptcy protection, close their stores, or terminate their leases. Examples of the potentially adverse effects of new technology on retail businesses include, amongst other things, the advent of on-line movie rentals on video stores, the effect of “e-books” and small screen readers on book stores, and increased sales of many products “on-line”.

Substantial recent annual increases in on-line sales have also caused many retailers to sell products on line on their websites with pick-ups at a store or warehouse or through deliveries. With special reference to our principal tenants, on-line grocery orders are available and especially useful in urban areas, but have not yet become a major factor affecting grocers in our portfolio.

Competition may impede our ability to renew leases or re-let spaces as leases expire, which could harm our business and operating results.

We also face competition from similar retail centers within our respective trade areas that may affect our ability to renew leases or re-let space as leases expire. Certain national retail chain bankruptcies and resulting store closings/lease disaffirmations have generally resulted in increased available retail space which, in turn, has resulted in increased competitive pressure to renew tenant leases upon expiration and to find new tenants for vacant space at such properties. In addition, any new competitive properties that are developed within the trade areas of our existing properties may result in increased competition for customer traffic and creditworthy tenants. Increased competition for tenants may require us to make tenant and/or capital

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improvements to properties beyond those that we would otherwise have planned to make. Any unbudgeted tenant and/or capital improvements we undertake may reduce cash that would otherwise be available for distributions to shareholders. Ultimately, to the extent we are unable to renew leases or re-let space as leases expire, our business and operations could be negatively impacted.

The financial covenants in our loan agreements may restrict our operating or acquisition activities, which may harm our financial condition and operating results.

The financial covenants in our loan agreements may restrict our operating or acquisition activities, which may harm our financial condition and operating results. The mortgages on our properties contain customary negative covenants, such as those that limit our ability, without the prior consent of the lender, to sell or otherwise transfer any ownership interest, to further mortgage the applicable property, to enter into leases, or to discontinue insurance coverage. Our ability to borrow under our secured revolving credit facilities is subject to compliance with these financial and other covenants, including restrictions on property eligible for collateral, the payment of dividends, and overall restrictions on the amount of indebtedness we can incur. If we breach covenants in our debt agreements, the lenders could declare a default and require us to repay the debt immediately and, if the debt is secured, could take possession of the property or properties securing the loan.

A substantial portion of our properties straddle the Washington DC to Boston corridor, which exposes us to greater economic risks than if our properties were owned in several geographic regions.

Our properties are located largely in the region that straddles the Washington DC to Boston corridor, which exposes us to greater economic risks than if we owned properties in more geographic regions (in particular, 31 of our consolidated properties are located in Pennsylvania). Any adverse economic or real estate developments resulting from the regulatory environment, business climate, fiscal problems or weather in such regions could have an adverse impact on our prospects. In addition, the economic condition of each of our markets may be dependent on one or more industries. An economic downturn in one of these industry sectors may result in an increase in tenant vacancies, which may harm our performance in the affected markets. High barriers to entry in the Washington DC to Boston corridor due to mature economies, road patterns, density of population, restrictions on development, and high land costs, coupled with large numbers of often overlapping government jurisdictions, may make it difficult for the Company to continue to grow in these areas.

Our success depends on key personnel whose continued service is not guaranteed.

Our success depends on the efforts of key personnel, whose continued service is not guaranteed. Key personnel could be lost because we could not offer, among other things, competitive compensation programs. The loss of services of key personnel could materially and adversely affect our operations because of diminished relationships with lenders, sources of equity capital, construction companies, and existing and prospective tenants, and the ability to conduct our business and operations without material disruption.

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Natural disasters and severe weather conditions could have an adverse impact on our cash flow and operating results.

Some of our properties could be subject to potential natural or other disasters. In addition, we may acquire properties that are located in areas which are subject to natural disasters. Properties could also be affected by increases in the frequency or severity of hurricanes or other storms, whether such increases are caused by global climate changes or other factors. The occurrence of natural disasters or severe weather conditions can increase investment costs to repair or replace damaged properties, increase operating costs, increase future property insurance costs, and/or negatively impact the tenant demand for lease space. If insurance is unavailable to us, or is unavailable on acceptable terms, or if our insurance is not adequate to cover business interruption or losses from such events, our earnings, liquidity and/or capital resources could be adversely affected.

Potential losses may not be covered by insurance.

Potential losses may not be covered by insurance. We carry comprehensive liability, fire, flood, extended coverage and rental loss insurance under a blanket policy covering all of our properties. We believe the policy specifications and insured limits are appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. We do not carry insurance for losses such as from war, nuclear accidents, and nuclear, biological and chemical occurrences from terrorist's acts. Some of the insurance, such as that covering losses due to wind, floods and earthquakes, is subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses. Additionally, certain tenants have termination rights in respect of certain casualties. If we receive casualty proceeds, we may not be able to reinvest such proceeds profitably or at all, and we may be forced to recognize taxable gain on the affected property. If we experience losses that are uninsured or that exceed policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged.

Future terrorist attacks could harm the demand for, and the value of, our properties.

Future terrorist attacks, such as the attacks that occurred in New York, Pennsylvania and Washington, DC on September 11, 2001, and other acts of terrorism or war, could harm the demand for, and the value of, our properties. Terrorist attacks could directly impact the value of our properties through damage, destruction, loss or increased security costs, and the availability of insurance for such acts may be limited or may be subject to substantial cost increases. To the extent that our tenants are impacted by future attacks, their ability to continue to honor obligations under their existing leases could be adversely affected.

If we fail to continue as a REIT, our distributions will not be deductible, and our income will be subject to taxation, thereby reducing earnings available for distribution.

If we do not continue to qualify as a REIT, our distributions will not be deductible, and our income will be subject to taxation, reducing earnings available for distribution. We have elected to be taxed as a REIT under the Code. A REIT will generally not be subject to federal income taxation on that portion of its income that qualifies as REIT taxable income, to the extent that it distributes at least 90% of its taxable income to its shareholders and complies with certain other requirements. In addition, if we did not continue to qualify as a REIT, we may also be

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subject to state and local income taxes in certain of the jurisdictions in which our properties are located.

We intend to make distributions to shareholders to comply with the requirements of the Code. However, differences in timing between the recognition of taxable income and the actual receipt of cash could require us to sell assets, borrow funds or pay a portion of the dividend in common stock to meet the 90% distribution requirement of the Code. Certain assets generate substantial differences between taxable income and income recognized in accordance with accounting principles generally accepted in the United States ("GAAP"). Such assets include, without limitation, operating real estate that was acquired through structures that may limit or completely eliminate the depreciation deduction that would otherwise be available for income tax purposes. As a result, the Code requirement to distribute a substantial portion of our otherwise net taxable income in order to maintain REIT status could cause us to (1) distribute amounts that could otherwise be used for future acquisitions, capital expenditures or repayment of debt, (2) borrow on unfavorable terms, (3) sell assets on unfavorable terms, or (4) pay a portion of our common dividend in common stock. If we fail to obtain debt or equity capital in the future, it could limit our operations and our ability to grow, which could have a material adverse effect on the value of our common stock.

Dividends payable by REITs do not qualify for the reduced tax rates under tax legislation which reduced the maximum tax rate for dividends payable to individuals from 35% to 15% (through 2012). For years beginning in 2013, the maximum tax rate for dividends payable to individuals is 39.6% and dividends from REITs do not qualify for the new reduced rate of 20%. In addition, certain high income individuals may be subject to an additional 3.8% tax on certain investment income, including dividends and capital gains. Although this legislation does not adversely affect the taxation of REITs or the dividends paid deduction for REITs, the more favorable rates applicable to regular corporate dividends could cause investors to perceive investments in REITs to be relatively less attractive than investments in the stock of corporations that pay dividends qualifying for reduced rates of tax which, in turn, could adversely affect the value of the stock of REITs.

We could incur significant costs related to government regulation and litigation over environmental matters and various other federal, state and local regulatory requirements.

We could incur significant costs related to government regulations and litigation over environmental matters. Under various federal, state and local laws, ordinances and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or other contaminants at property owned, leased, managed or otherwise operated by such person, and may be held liable to a governmental entity or to third parties for property damage, and for investigation and cleanup costs in connection with such contamination. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such conditions, may adversely affect the owner's, lessor's or operator's ability to sell or rent such property or to arrange financing using such property as collateral. In connection with the ownership, operation and management of real properties, we are potentially liable for removal or remediation costs, as well as certain other related costs and liabilities, including governmental fines, injuries to persons, and damage to property.

We may incur significant costs complying with the Americans with Disabilities Act of 1990, as amended, and similar laws, which require that all public accommodations meet federal

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requirements related to access and use by disabled persons, and with various other federal, state and local regulatory requirements, such as state and local fire and life safety requirements.

The Company believes environmental studies conducted at the time of acquisition with respect to all of our properties did not reveal any material environmental liabilities, and we are unaware of any subsequent environmental matters that would have created a material liability. We believe that our properties are currently in material compliance with applicable environmental, as well as non-environmental, statutory and regulatory requirements. If one or more of our properties were not in compliance with such federal, state and local laws, we could be required to incur additional costs to bring the property into compliance. If we incur substantial costs to comply with such requirements, our business and operations could be adversely affected. If we fail to comply with such requirements, we might incur governmental fines or private damage awards. We cannot presently determine whether existing requirements will change or whether future requirements will require us to make significant unanticipated expenditures that will adversely impact our business and operations.

Our charter and Maryland law contain provisions that may delay, defer or prevent a change of control transaction and depress our stock price.

Our charter and Maryland law contain provisions that may delay, defer or prevent a change of control transaction and depress the price of our common stock. The charter, subject to certain exceptions, authorizes directors to take such actions as are necessary and desirable relating to qualification as a REIT, and to limit any person to beneficial ownership of no more than 9.9% of the outstanding shares of our common stock. Our Board of Directors, in its sole discretion, may exempt a proposed transferee from the ownership limit, but may not grant an exemption from the ownership limit to any proposed transferee whose direct or indirect ownership could jeopardize our status as a REIT. These restrictions on transferability and ownership will not apply if our Board of Directors determines that it is no longer in our best interests to continue to qualify as, or to be, a REIT. This ownership limit may delay or impede a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interests of shareholders. Our Board of Directors has waived the ownership limit to permit each of Inland American Real Estate Trust, Inc. (“Inland”), RioCan Real Estate Investment Trust (“RioCan”), and Cohen and Steers Capital Management, Inc. to acquire up to 14%, 16% and 15%, respectively, of our stock. Upon the sale by RioCan in February 2013 of all of its holdings, our waiver terminated. In addition, Inland has agreed to various voting restrictions and standstill provisions.

We may authorize and issue stock and OP Units without shareholder approval. Our charter authorizes the Board of Directors to issue additional shares of common or preferred stock, to issue additional OP Units, to classify or reclassify any unissued shares of common or preferred stock, and to set the preferences, rights and other terms of such classified or unclassified shares. In connection with obtaining shareholder approval to increase the number of authorized shares of preferred stock, we have agreed not to use our preferred stock for anti-takeover purposes or in connection with a shareholder rights plan unless we obtain shareholder approval. Certain provisions of the Maryland General Corporation Law (the “MGCL”) may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

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1. “business combination” provisions that, subject to limitations, prohibit certain business combinations between us and an “interested stockholder” (defined generally as any person or an affiliate thereof who beneficially owns 10% or more of the voting power of our shares) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter imposes special appraisal rights and special stockholder voting requirements on these combinations; and
2. “control share” provisions that provide that our “control shares” (defined as shares that, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a “control share acquisition” (defined as the direct or indirect acquisition of ownership or control of control shares) have no voting rights except to the extent approved by our shareholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

We have opted out of these provisions of the MGCL. However, the Board of Directors may, by resolution, elect to opt in to the business combination provisions of the MGCL, and we may, by amendment to our bylaws, opt in to the control share provisions of the MGCL.

Item 1B. Unresolved Staff Comments: None

Item 3. Legal Proceedings

The Company is not presently involved in any litigation, nor, to its knowledge, is any litigation threatened against the Company or its subsidiaries, which is either not covered by the Company’s liability insurance, or, in management’s opinion, would result in a material adverse effect on the Company’s financial position or results of operations.

Item 4. Mine Safety Disclosures: Not applicable

Directors and Executive Officers of the Company

Information regarding the Company’s directors and executive officers is set forth below:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Bruce J. Schanzer	44	Chief Executive Officer and President, Director
Roger M. Widmann	73	Chairman of the Board of Directors
James J. Burns	73	Director
Pamela N. Hootkin	65	Director
Paul G. Kirk Jr.	75	Director
Everett B. Miller III	67	Director
Philip R. Mays	45	Chief Financial Officer
Brenda J. Walker	60	Vice President—Chief Operating Officer

Bruce J. Schanzer has been President, Chief Executive Officer and a director of the Company since June 2011. Prior thereto and since 2007, Mr. Schanzer was employed by Goldman Sachs & Co., with his most recent position being a managing director in the real estate investment banking group. From 2001 to 2007, he was employed by Merrill Lynch, with his last position being vice president in their real estate investment banking group. Earlier in his career, Mr. Schanzer practiced real estate law for six years in New York. Mr. Schanzer received a B.A.

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from Yeshiva University, an M.B.A. from the University of Chicago, and a J.D. from the Benjamin N. Cardozo School of Law, where he was a member of the Law Review.

Roger M. Widmann, a director since October 2003, the non-executive Chairman of the Board since June 2011, and a member of the Compensation and Nominating/Corporate Governance Committees, is an investment banker. He was a principal of the investment banking firm of Tanner & Co., Inc. from 1997 to 2004. From 1986 to 1995, Mr. Widmann was a senior managing director of Chemical Securities, Inc., a subsidiary of Chemical Banking Corporation (now JPMorgan Chase Corporation). Prior to joining Chemical Securities, Inc., Mr. Widmann was a founder and managing director of First Reserve Corporation, the largest independent energy investing firm in the U.S. Previously, he was senior vice president with the investment banking firm of Donaldson, Lufkin & Jenrette, responsible for the firm's domestic and international investment banking business. He had also been a vice president with New Court Securities (now Rothschild, Inc.). He was a director of Lydall, Inc. (listed on the New York Stock Exchange), a manufacturer of thermal, acoustical and filtration materials, from 1974 to 2004, and its chairman from 1998 to 2004. He is a director of Standard Motor Products, Inc. (listed on the New York Stock Exchange), a manufacturer of automobile replacement parts, is Chairman of Keystone National Group, a fund of private equity funds, and is Chairman and CEO of Cutwater Associates LLC, a corporate advisory firm. He is also a senior moderator of the Aspen Seminar at The Aspen Institute and Vice Chairman of Oxfam America. Mr. Widmann received an B.A. from Brown University and a J.D. from the Columbia University School of Law.

James J. Burns, a director since 2001 and a member of the Audit (Chair) and Nominating/Corporate Governance Committees, was chief financial officer and senior vice president of Reis, Inc. (formerly Wellsford Real Properties, Inc.) from December 2000 until March 2006, and vice chairman from April 2006 until March 2009, when he entered into a consulting role at that company (where he continues to have the primary responsibility for income tax reporting and compliance). He joined Reis in October 1999 as chief accounting officer upon his retirement from Ernst & Young LLP in September 1999. At Ernst & Young LLP, Mr. Burns was a senior audit partner in the E&Y Kenneth Leventhal Real Estate Group for 22 years. Since 2000, Mr. Burns has also served as a director of One Liberty Properties, Inc., a real estate investment trust listed on the New York Stock Exchange. Mr. Burns is a certified public accountant and a member of the American Institute of Certified Public Accountants. Mr. Burns received a B.A. and M.B.A. from Baruch College of the City University of New York.

Pamela N. Hootkin, a director since June 2008 and a member of the Audit and Compensation Committees, retired at the end of April 2012 from her position as senior vice president at PVH Corp. (formerly Phillips-Van Heusen Corporation), a position she held since since May 2010. She joined PVH Corp. in 1988 as vice president, treasurer and corporate secretary; in 1999 she became vice president, treasurer and director of investor relations, and in June 2007 she became senior vice president, treasurer and director of investor relations. From 1986 to 1988, Ms. Hootkin was vice president and chief financial officer of Yves Saint Laurent Parfums, Inc. From 1975 to 1986, she was employed by Squibb Corporation in various capacities, with her last position being vice president and treasurer of a division of Squibb. Ms. Hootkin is a board member of Safe Horizon, New York (a not-for-profit organization) where she also serves on the executive, finance and audit committees. Ms. Hootkin received a B.A. from the State University of New York at Binghamton and a M.A. from Boston University.

Paul G. Kirk, Jr., a director from 2005 to September 2009, when he resigned as the result of his appointment as a United States Senator for Massachusetts to the seat previously held by

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the late Senator Edward M. Kennedy, and re-elected to the Board in June 2010, is a member of the Compensation and Nominating/Corporate Governance (Chair) Committees, and is a retired partner of the law firm of Sullivan & Worcester, LLP of Boston, MA. He was a member of the firm from 1977 through 1990. He also serves as Chairman and CEO of Kirk & Associates, Inc., a business advisory and consulting firm, and currently serves on the Board of Directors of the Hartford Financial Services Group, Inc. He has previously served on the Boards of Directors of Rayonier, Incorporated (a real estate investment trust listed on the New York Stock Exchange) (1994 to 2011), ITT Corporation (1989 to 1997) and Bradley Real Estate, Inc. (1991 to 2000), a real estate investment trust that was subsequently acquired by Heritage Property Investment Trust, Inc. Mr. Kirk was a founding Director of the John F. Kennedy Library Foundation and served as its Chairman from 1992 to 2009. He was a founding Director of the Commission on Presidential Debates and served as its Co-Chairman from 1987 to 2009. From 1985 to 1989, Mr. Kirk served as Chairman of the Democratic Party of the U.S., and from 1983 to 1985 as its Treasurer. A graduate of Harvard College and Harvard Law School, Mr. Kirk is past-Chairman of the Harvard Board of Overseers' Nominating Committee and of the Harvard Board of Overseers' Committee to Visit the Department of Athletics. He has received many awards for civic leadership and public service, including honorary doctors of law degrees from Stonehill College and the Southern New England School of Law.

Everett B. Miller, III, a director since 1998 and a member of the Audit and Compensation (Chair) Committees, has been since July 2012 the Director of the Real Estate Bureau of the New York State Common Retirement Fund. In July 2012, Mr. Miller resigned his position as a member of the Real Estate Advisory Committee of the New York State Common Retirement Fund, a position he held since March 2003, in order to accept his current position. He retired at the end of 2011 from his position as vice president of alternative investments at the YMCA Retirement Fund, a position he held since September 2003. Prior to his retirement in May 2002 from Commonfund Realty, Inc., a registered investment advisor, Mr. Miller was the chief operating officer of that company from 1997 until May 2002. 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 thereto, Mr. Miller was employed for eighteen years at affiliates of Travelers Realty Investment Co., at which his last position was senior vice president. Mr. Miller received a B.S. from Yale University.

Philip R. Mays has been Chief Financial Officer of the Company since June 2011. From May 2005 until June 2011, Mr. Mays was employed by Federal Realty Investment Trust, a publicly-traded equity REIT specializing in shopping centers, where he initially served as Controller, was subsequently promoted to Chief Accounting Officer in September 2006, and again to Vice President, Chief Accounting Officer in February 2007. Prior to joining Federal Realty, he was Vice President of Finance and Corporate Controller for CRIIMI MAE, Inc. from June 2004 until May 2005. Earlier in his career, Mr. Mays held various accounting and finance positions, including seven years as an accountant at Ernst & Young, LLP, with his last position being senior manager, and where he supervised audits and assisted clients in the real estate, construction and hospitality industries, including publicly-traded REITs. Mr. Mays is a certified public accountant and a member of the American Institute of Certified Public Accountants. Mr. Mays received a B.S. degree from Jacksonville University, Florida.

Brenda J. Walker has been a vice president of the Company since 1998, was elected Chief Operating Officer in 2009, was a director from 1998 until June 2008, and was treasurer from April 1998 until November 1999. She was an executive officer since 1992 of the real estate management companies, and their respective predecessors and affiliates, which were merged into the Company in 2003. Ms. Walker has been involved in real estate-related finance, property and

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asset management for more than thirty-five years. Ms. Walker received a B.A. from Lincoln University, Pennsylvania.

Part II.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Dividend Information

A corporation electing REIT status is required to distribute at least 90% of its "REIT taxable income", as defined in the Code, to continue qualification as a REIT. In keeping with its stated goal of reducing overall leverage, and in order to maximize financial flexibility, the Company paid dividends totaling \$0.20 per share during 2012, reduced from \$0.36 per share during 2011. While the Company intends to continue paying regular quarterly dividends, future dividend declarations will continue to be at the discretion of the Board of Directors, and will depend on the cash flow and financial condition of the Company, capital requirements, annual distribution requirements under the REIT provisions of the Code, and such other factors as the Board of Directors may deem relevant.

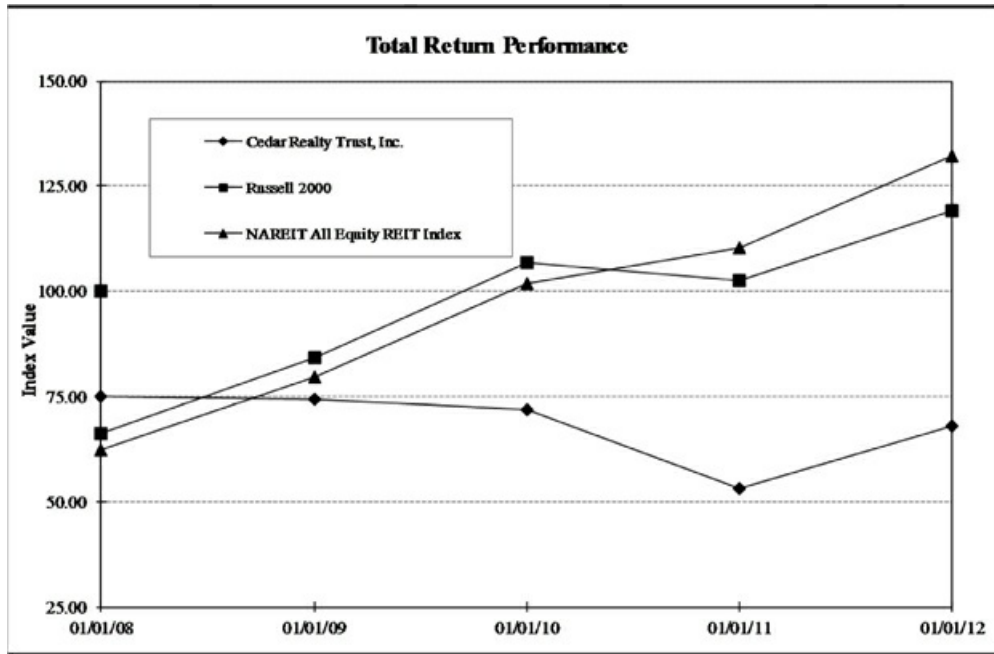
Market Information

The Company had 71,817,310 shares of common stock outstanding held by approximately 700 shareholders of record at December 31, 2012. The Company believes it has more than 5,000 beneficial holders of its common stock. The Company's shares trade on the NYSE under the symbol "CDR". The following table sets forth, for each quarter for the last two years, (1) the high, low, and closing prices of the Company's common stock, and (2) dividends paid:

Quarter ended	Market price range			Dividends paid
	High	Low	Close	
2012				
March 31	\$5.30	\$4.35	\$5.12	\$ 0.05
June 30	5.45	4.53	5.05	0.05
September 30	5.80	4.65	5.28	0.05
December 31	5.73	4.60	5.28	0.05
2011				
March 31	\$6.58	\$5.26	\$6.03	\$ 0.09
June 30	6.27	4.82	5.15	0.09
September 30	5.44	3.01	3.11	0.09
December 31	4.71	2.65	4.31	0.09

Stockholder Return Performance Presentation

The following line graph sets forth for the period January 1, 2008 through December 31, 2012 a comparison of the percentage change in the cumulative total stockholder return on the Company's common stock compared to the cumulative total return of the Russell 2000 index and the National Association of Real Estate Investment Trusts Equity REIT Total Return Index. The graph assumes that the shares of the Company's common stock were bought at the price of \$100 per share and that the value of the investment in each of the Company's common stock and the indices was \$100 at the beginning of the period. The graph further assumes the reinvestment of dividends when paid.



<i>Index</i>	<i>Period Ending</i>					
	01/01/08	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
Cedar Realty Trust, Inc.	100.00	75.14	74.32	71.65	53.18	67.76
Russell 2000	100.00	66.21	84.20	106.82	102.36	119.09
NAREIT All Equity REIT Index	100.00	62.27	79.70	101.98	110.42	132.18

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Item 6. Selected Financial Data (a)

	Years ended December 31,				
	2012	2011	2010	2009	2008
Operations data:					
Total revenues	\$ 140,583,000	\$ 134,828,000	\$ 130,998,000	\$ 139,818,000	\$ 126,551,000
Expenses:					
Property operating expenses	40,551,000	44,035,000	41,599,000	40,283,000	34,860,000
General and administrative	14,277,000	10,740,000	9,537,000	10,158,000	8,586,000
Management transition charges and employee termination costs	1,172,000	6,875,000	—	—	—
Impairment charges	5,779,000	7,148,000	2,493,000	23,636,000	—
Acquisition transaction costs and terminated projects	116,000	1,436,000	3,958,000	4,367,000	855,000
Depreciation and amortization	44,540,000	43,105,000	34,735,000	42,715,000	36,969,000
Total expenses	<u>106,435,000</u>	<u>113,339,000</u>	<u>92,322,000</u>	<u>121,159,000</u>	<u>81,270,000</u>
Operating income	34,148,000	21,489,000	38,676,000	18,659,000	45,281,000
Non-operating income and expense:					
Interest expense	(41,966,000)	(41,746,000)	(45,559,000)	(41,548,000)	(36,557,000)
Interest income	191,000	349,000	21,000	63,000	271,000
Equity in income of unconsolidated joint ventures	1,481,000	1,671,000	484,000	1,098,000	956,000
Gain (loss) on exit from unconsolidated joint ventures	30,526,000	(7,961,000)	—	—	—
Gain on sales	997,000	130,000	—	521,000	—
Total non-operating income and expense	<u>(8,771,000)</u>	<u>(47,557,000)</u>	<u>(45,054,000)</u>	<u>(39,866,000)</u>	<u>(35,330,000)</u>
Income (loss) before discontinued operations	25,377,000	(26,068,000)	(6,378,000)	(21,207,000)	9,951,000
Income (loss) from discontinued operations	8,638,000	(82,446,000)	(37,806,000)	4,196,000	10,847,000
Net income (loss)	34,015,000	(108,514,000)	(44,184,000)	(17,011,000)	20,798,000
Less, net loss (income) attributable to noncontrolling interests					
Minority interests in consolidated joint ventures	(4,335,000)	2,507,000	1,613,000	(772,000)	(2,157,000)
Limited partners' interest in Operating Partnership	26,000	2,446,000	1,282,000	912,000	(468,000)
Net income (loss) attributable to Cedar Realty Trust, Inc.	29,706,000	(103,561,000)	(41,289,000)	(16,871,000)	18,173,000
Preferred stock dividends and redemption costs	(19,817,000)	(14,200,000)	(10,196,000)	(7,876,000)	(7,877,000)
Net income (loss) attributable to common shareholders	<u>\$ 9,889,000</u>	<u>\$ (117,761,000)</u>	<u>\$ (51,485,000)</u>	<u>\$ (24,747,000)</u>	<u>\$ 10,296,000</u>
Per common share (basic and diluted) attributable to common shareholders:					
Continuing operations	\$ 0.07	\$ (0.61)	\$ (0.24)	\$ (0.60)	\$ (0.01)
Discontinued operations	0.06	(1.18)	(0.57)	0.06	0.24
	<u>\$ 0.13</u>	<u>\$ (1.79)</u>	<u>\$ (0.81)</u>	<u>\$ (0.54)</u>	<u>\$ 0.23</u>
Amounts attributable to Cedar Realty Trust, Inc. common shareholders, net of limited partners' interest					
Income (loss) from continuing operations	\$ 5,935,000	\$ (39,348,000)	\$ (15,623,000)	\$ (27,711,000)	\$ (85,000)
Income (loss) from discontinued operations	3,954,000	(78,413,000)	(35,862,000)	2,964,000	10,381,000
Net income (loss)	<u>\$ 9,889,000</u>	<u>\$ (117,761,000)</u>	<u>\$ (51,485,000)</u>	<u>\$ (24,747,000)</u>	<u>\$ 10,296,000</u>
Dividends to common shareholders	\$ 14,402,000	\$ 24,705,000	\$ 17,749,000	\$ 9,742,000	\$ 40,027,000
Per common share	\$ 0.2000	\$ 0.3600	\$ 0.2700	\$ 0.2025	\$ 0.9000
Weighted average number of common shares—basic and diluted	<u>68,017,000</u>	<u>66,387,000</u>	<u>63,843,000</u>	<u>46,234,000</u>	<u>44,475,000</u>

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Item 6. Selected Financial Data (a) (continued)

	Years ended December 31,				
	2012	2011	2010	2009	2008
Balance sheet data:					
Real estate, net	\$1,222,743,000	\$1,167,275,000	\$1,126,370,000	\$1,140,876,000	\$1,038,825,000
Real estate to be transferred to a joint venture	—	—	—	139,743,000	194,952,000
Real estate held for sale/conveyance	77,793,000	211,679,000	355,102,000	399,122,000	426,217,000
Investment in unconsolidated joint ventures	—	44,743,000	52,466,000	14,113,000	4,976,000
Other assets	69,367,000	88,466,000	88,549,000	91,264,000	70,058,000
Total assets	\$1,369,903,000	\$1,512,163,000	\$1,622,487,000	\$1,785,118,000	\$1,735,028,000
Mortgages and loans payable	\$ 761,216,000	\$ 753,060,000	\$ 680,718,000	\$ 797,146,000	\$ 769,902,000
Mortgage loans payable—real estate to be transferred to a joint venture	—	—	—	94,018,000	77,307,000
Mortgage loans payable—real estate held for sale/conveyance	23,258,000	124,888,000	159,395,000	161,283,000	166,264,000
Other liabilities	63,679,000	73,827,000	76,850,000	106,269,000	116,361,000
Total liabilities	848,153,000	951,775,000	916,963,000	1,158,716,000	1,129,834,000
Noncontrolling interest—limited partners’ mezzanine OP Units	623,000	4,616,000	7,053,000	12,638,000	14,257,000
Equity:					
Cedar Realty Trust, Inc. shareholders’ equity	513,656,000	493,843,000	630,066,000	538,456,000	523,521,000
Noncontrolling interests	7,471,000	61,929,000	68,405,000	75,308,000	67,416,000
Total equity	521,127,000	555,772,000	698,471,000	613,764,000	590,937,000
Total liabilities and equity	\$1,369,903,000	\$1,512,163,000	\$1,622,487,000	\$1,785,118,000	\$1,735,028,000
Other data:					
Funds From Operations (“FFO”) (b)	\$ 26,717,000	\$ 26,520,000	\$ 29,510,000	\$ 51,776,000	\$ 56,859,000
Cash flows provided by (used in):					
Operating activities	\$ 50,588,000	\$ 39,246,000	\$ 41,702,000	\$ 51,942,000	\$ 60,815,000
Investing activities	\$ 50,114,000	\$ (64,241,000)	\$ (29,834,000)	\$ (70,026,000)	\$ (151,390,000)
Financing activities	\$ (105,250,000)	\$ 22,899,000	\$ (14,866,000)	\$ 27,017,000	\$ 75,517,000
Square feet of GLA	9,820,000	9,566,000	8,989,000	8,782,000	7,827,000
Percent occupied	91.9%	91.6%	90.5%	91.2%	92.4%
Average annualized base rent per square foot	\$ 11.90	\$ 11.52	\$ 11.33	\$ 10.90	\$ 10.66

- (a) The data presented reflect certain reclassifications of prior period amounts to conform to the 2012 presentation, principally to reflect the sale and/or as “held for sale/conveyance” of certain operating properties and the treatment thereof as “discontinued operations”. The reclassifications had no impact on the previously-reported net income attributable to common shareholders or earnings per share.
- (b) See Items 7—“Management Discussion and Analysis of Financial Condition and Results of Operations” for a reconciliation of FFO to net income(loss) attributable to common shareholders.

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

The following discussion should be read in conjunction with the Company's consolidated financial statements and related notes thereto included elsewhere in this report.

Executive Summary

The Company is a fully-integrated real estate investment trust which focuses primarily on ownership and operation of grocery-anchored shopping centers straddling the Washington DC to Boston corridor. At December 31, 2012, the Company owned and managed a portfolio of 67 operating properties (excluding properties "held for sale/conveyance") totaling approximately 9.8 million square feet of gross leasable area ("GLA"). The portfolio was 91.9% occupied at December 31, 2012.

In keeping with its stated goal of reducing overall leverage to an appropriate level by selling non-core assets, the Company determined in 2011 (1) to completely exit the Ohio market, principally the Discount Drug Mart portfolio of drugstore/convenience centers, and concentrate on the region that straddles the Washington DC to Boston corridor, (2) to concentrate on grocery-anchored strip centers, by disposing of its mall and single-tenant/triple-net-lease properties, (3) to focus on improving operations and performance at the Company's remaining properties, and (4) to reduce development activities, by disposing of certain development projects, land acquired for development, and other non-core assets.

On October 10, 2012, the Company concluded definitive agreements with RioCan to exit the 20% Cedar / 80% RioCan joint venture that owned 22 retail properties. On October 12, 2012, the Company concluded definitive agreements with HII relating to the application of the buy/sell provisions of the joint venture agreements for each of the nine properties owned by the joint venture. See Significant Transactions below for additional information relating to these transactions.

The Company, organized as a Maryland corporation, has established an umbrella partnership structure through the contribution of substantially all of its assets to Cedar Realty Trust Partnership L.P. (the "Operating Partnership"), organized as a limited partnership under the laws of Delaware. The Company conducts substantially all of its business through the Operating Partnership. At December 31, 2012, the Company owned 99.6% of the Operating Partnership and is its sole general partner. The approximately 281,000 limited Operating Partnership Units ("OP Units") are economically equivalent to the Company's common stock and are convertible into the Company's common stock at the option of the holders on a one-to-one basis.

The Company derives substantially all of its revenues from rents and operating expense reimbursements received pursuant to long-term leases. The Company's operating results therefore depend on the ability of its tenants to make the payments required by the terms of their leases. The Company focuses its investment activities on grocery-anchored community shopping centers. The Company believes that, because of the need of consumers to purchase food and other staple goods and services generally available at such centers, its type of "necessities-based" properties should provide relatively stable revenue flows even during difficult economic times.

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Significant Transactions

As discussed above, the Company developed a disposition plan with the stated goal of reducing overall leverage to an appropriate level by selling non-core assets. The carrying values of the assets and liabilities of these properties, principally the net book values of the real estate and the related mortgage loans payable to be assumed by the buyers (or conveyed to the mortgagee), have been reclassified as “held for sale/conveyance” on the Company’s consolidated balance sheets at December 31, 2012 and December 31, 2011. In addition, the properties’ results of operations have been classified as “discontinued operations” for all periods presented.

The following table details the acquisitions and dispositions of properties during 2012:

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Acquisitions of noncontrolling interests in consolidated properties

<u>Property</u>	<u>Location</u>	<u>GLA</u>	<u>Date Acquired</u>	<u>Purchase Price</u>
Meadows Marketplace (a)	Hershey, PA	91,518	10/12/2012	\$ 13,375,000
Fieldstone Marketplace (a)	New Bedford, MA	193,970	10/12/2012	13,955,000
				<u>\$ 27,330,000</u>

Acquisition of unconsolidated joint venture property

<u>Property</u>	<u>Location</u>	<u>GLA</u>	<u>Date Acquired</u>	<u>Purchase Price</u>
Franklin Village Plaza (b)	Franklin, MA	304,347	10/10/2012	<u>\$ 75,127,000</u>

Dispositions of consolidated properties

<u>Property</u>	<u>Location</u>	<u>GLA</u>	<u>Date Sold</u>	<u>Sales Price</u>
Hilliard Discount Drug Mart Plaza	Hilliard, OH	40,988	2/7/2012	\$ 1,434,000
First Merit Bank at Akron	Akron, OH	3,200	2/23/2012	633,000
Grove City Discount Drug Mart Plaza	Grove City, OH	40,848	3/12/2012	1,925,000
CVS at Naugatuck (50% interest)	Naugatuck, CT	13,225	3/20/2012	3,350,000
CVS at Bradford	Bradford, PA	10,722	3/30/2012	967,000
CVS at Celina	Celina, OH	10,195	3/30/2012	1,449,000
CVS at Erie	Erie, PA	10,125	3/30/2012	1,278,000
CVS at Portage Trail	Akron, OH	10,722	3/30/2012	1,061,000
Rite Aid at Massillon	Massillon, OH	10,125	3/30/2012	1,492,000
Kingston Plaza	Kingston, NY	5,324	4/12/2012	1,182,000
Stadium Plaza	East Lansing, MI	77,688	5/3/2012	5,400,000
Blue Mountain Commons (land parcel)	Harrisburg, PA	N/A	6/19/2012	102,000
Oregon Pike (land parcel)	Lancaster, PA	N/A	6/28/2012	1,100,000
Trindle Springs (land parcel)	Mechanicsburg, PA	N/A	7/20/2012	800,000
Aston (land parcel)	Aston, PA	N/A	7/27/2012	1,365,000
Homburg Joint Venture (20 % interest in seven properties)	Various	560,772	10/12/2012	23,642,000
The Point at Carlisle	Carlisle, PA	182,859	10/15/2012	7,350,000
Wyoming (land parcel)	Wyoming, MI	N/A	11/16/2012	1,000,000
Total				<u>\$ 55,530,000</u>

Dispositions of unconsolidated joint venture properties

<u>Property</u>	<u>Location</u>	<u>GLA</u>	<u>Date Sold</u>	<u>Sales Price</u>
Cedar/RioCan Joint Venture (20% interest in 21 properties)	Various	3,406,927	10/10/2012	<u>\$ 119,521,000</u>

- (a) As a result of acquiring the remaining 80% interest in these properties, the Company now owns a 100% interest.
(b) See below for information relating to the Company's exit from the Cedar/RioCan joint venture.

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On October 10, 2012, the Company concluded definitive agreements with RioCan Real Estate Investment Trust (“RioCan”) to exit the 20% Cedar / 80% RioCan joint venture that owns 22 retail properties. Pursuant to the agreements, the Company exchanged its 20% interest in the joint venture for (1) a 100% ownership interest in Franklin Village Plaza, located in Franklin, Massachusetts, at an agreed-upon value of approximately \$75.1 million, including the assumption of related in-place mortgage financing of approximately \$43.1 million, and (2) approximately \$41.6 million in cash, which was initially used to reduce the outstanding balance under the Company’s Credit Facility. The Company continued to manage the properties acquired by RioCan subject to a management agreement which was terminated effective January 31, 2013.

On October 12, 2012, the Company concluded definitive agreements with Homburg Invest Inc. (“HII”) relating to the application of the buy/sell provisions of the joint venture agreements for each of the nine properties owned by the joint venture. Pursuant to the agreements, the Company acquired HII’s 80% ownership in Meadows Marketplace, located in Hershey, Pennsylvania, and Fieldstone Marketplace, located in New Bedford, Massachusetts, for approximately \$27.3 million, including the assumption of related in-place mortgage financing of \$21.8 million, giving the Company a 100% ownership interest in these two properties. In addition, the Company sold to HII its 20% ownership interest in the remaining seven joint venture properties for approximately \$23.6 million, including the assumption of related in-place mortgage financing of \$14.5 million. The Company’s property management agreements for the sold properties terminated upon the closing of the sale.

Impairment charges and other write-offs are summarized as follows:

	Years ended December 31,		
	2012	2011	2010
Impairment charges—Ohio property loan and land parcels (2012), land parcels (2011) and properties transferred to Cedar/RioCan joint venture (2010) (a)	\$5,779,000	\$ 7,148,000	\$ 2,493,000
Loss on exit from unconsolidated joint venture (b)	\$ —	\$ 7,961,000	\$ —
Impairment charges, net—properties held for sale/conveyance (c)	\$ 4,000	\$88,458,000	\$39,822,000

(a) Included in operating income in the accompanying statements of operations.

(b) Represents the write-off of an investment in an unconsolidated joint venture, and is included in non-operating income and expense in the accompanying statements of operations.

(c) Included in discontinued operations in the accompanying statements of operations.

Credit Facility

On January 26, 2012, the Company entered into a \$300 million secured credit facility (the “Credit Facility”). The Credit Facility amends, restates and consolidates the Company’s prior \$185 million stabilized property revolving credit facility and its \$150 million development property credit facility that were due to expire on January 31, 2012 and June 13, 2012, respectively. See “Liquidity” below for additional details.

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Summary of Critical Accounting Policies

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates, including those related to revenue recognition and the allowance for doubtful accounts receivable, real estate investments and purchase accounting allocations related thereto, asset impairment, and derivatives used to hedge interest-rate risks. Management’s estimates are based both on information that is currently available and on various other assumptions management believes to be reasonable under the circumstances. Actual results could differ from those estimates and those estimates could be different under varying assumptions or conditions.

The Company has identified the following critical accounting policies, the application of which requires significant judgments and estimates:

Revenue Recognition

Rental income with scheduled rent increases is recognized using the straight-line method over the respective terms of the leases. The aggregate excess of rental revenue recognized on a straight-line basis over base rents under applicable lease provisions is included in straight-line rents receivable on the consolidated balance sheet. Leases also generally contain provisions under which the tenants reimburse the Company for a portion of property operating expenses and real estate taxes incurred; such income is recognized in the periods earned. In addition, certain operating leases contain contingent rent provisions under which tenants are required to pay a percentage of their sales in excess of a specified amount as additional rent. The Company defers recognition of contingent rental income until those specified targets are met.

The Company must make estimates as to the collectability of its accounts receivable related to base rent, straight-line rent, expense reimbursements and other revenues. Management analyzes accounts receivable by considering tenant creditworthiness, current economic conditions, and changes in tenants’ payment patterns when evaluating the adequacy of the allowance for doubtful accounts receivable. These estimates have a direct impact on net income, because a higher bad debt allowance would result in lower net income, whereas a lower bad debt allowance would result in higher net income.

Real Estate Investments

Real estate investments are carried at cost less accumulated depreciation. The provision for depreciation is calculated using the straight-line method based on estimated useful lives. Expenditures for maintenance, repairs and betterments that do not materially prolong the normal useful life of an asset are charged to operations as incurred. Expenditures for betterments that substantially extend the useful lives of real estate assets are capitalized.

Real estate investments include costs of development and redevelopment activities, and construction in progress. Capitalized costs, including interest and other carrying costs during the construction and/or renovation periods, are included in the cost of the related asset and charged to operations through depreciation over the asset’s estimated useful life. The Company is required to make subjective estimates as to the useful lives of its real estate assets for purposes of determining the amount of depreciation to reflect on an annual basis. These assessments have a

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direct impact on net income. A shorter estimate of the useful life of an asset would have the effect of increasing depreciation expense and lowering net income, whereas a longer estimate of the useful life of an asset would have the effect of reducing depreciation expense and increasing net income.

A variety of costs are incurred in the acquisition, development and leasing of a property, such as pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs, and other costs incurred during the period of development. After a determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. The Company ceases capitalization on the portions substantially completed and occupied, or held available for occupancy, and capitalizes only those costs associated with the portions under construction. The Company considers a construction project as substantially completed and held available for occupancy upon the completion of tenant improvements, but not later than one year from cessation of major development activity. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. The effect of a longer capitalization period would be to increase capitalized costs and would result in higher net income, whereas the effect of a shorter capitalization period would be to reduce capitalized costs and would result in lower net income.

The Company allocates the fair value of real estate acquired to land, buildings and improvements. In addition, the fair value of in-place leases is allocated to intangible lease assets and liabilities. The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, which value is then allocated to land, buildings and improvements based on management's determination of the relative fair values of such assets. In valuing an acquired property's intangibles, factors considered by management include an estimate of carrying costs during the expected lease-up periods, such as real estate taxes, insurance, other operating expenses, and estimates of lost rental revenue during the expected lease-up periods based on its evaluation of current market demand. Management also estimates costs to execute similar leases, including leasing commissions, tenant improvements, legal and other related costs.

The values of acquired above-market and below-market leases are recorded based on the present values (using discount rates which reflect the risks associated with the leases acquired) of the differences between the contractual amounts to be received and management's estimate of market lease rates, measured over the terms of the respective leases that management deemed appropriate at the time of the acquisitions. Such valuations include a consideration of the non-cancellable terms of the respective leases as well as any applicable renewal period(s). The fair values associated with below-market rental renewal options are determined based on the Company's experience and the relevant facts and circumstances that existed at the time of the acquisitions. The values of above-market leases are amortized to rental income over the terms of the respective non-cancelable lease periods. The portion of the values of below-market leases associated with the original non-cancelable lease terms are amortized to rental income over the terms of the respective non-cancelable lease periods. The portion of the values of the leases associated with below-market renewal options that are likely of exercise are amortized to rental income over the respective renewal periods. The value of other intangible assets (including leasing commissions, tenant improvements, etc.) is amortized to expense over the applicable terms of the respective leases. If a lease were to be terminated prior to its stated expiration or not renewed, all unamortized amounts relating to that lease would be recognized in operations at that time.

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Management is required to make subjective assessments in connection with its valuation of real estate acquisitions. These assessments have a direct impact on net income, because (1) above-market and below-market lease intangibles are amortized to rental income, and (2) the value of other intangibles is amortized to expense. Accordingly, higher allocations to below-market lease liability and other intangibles would result in higher rental income and amortization expense, whereas lower allocations to below-market lease liability and other intangibles would result in lower rental income and amortization expense.

Management reviews each real estate investment for impairment whenever events or circumstances indicate that the carrying value of a real estate investment may not be recoverable. The review of recoverability is based on an estimate of the future cash flows that are expected to result from the real estate investment's use and eventual disposition. These estimates of cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. If an impairment event exists due to the projected inability to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds estimated fair value. A real estate investment held for sale is carried at the lower of its carrying amount or estimated fair value, less the cost of a potential sale. Depreciation and amortization are suspended during the period the property is held for sale. Management is required to make subjective assessments as to whether there are impairments in the value of its real estate properties. These assessments have a direct impact on net income, because an impairment loss is recognized in the period that the assessment is made.

New Accounting Pronouncements

See Note 2 of Notes to Consolidated Financial Statements included in Item 8 below for information relating to new accounting pronouncements.

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Results of Operations

Comparison of 2012 to 2011

	2012	2011	Change	
			Dollars	Percent
Revenues	\$ 140,583,000	\$ 134,828,000	\$ 5,755,000	4.3%
Property operating expenses	40,551,000	44,035,000	(3,484,000)	-7.9%
Property operating income	100,032,000	90,793,000	9,239,000	10.2%
General and administrative	(14,277,000)	(10,740,000)	(3,537,000)	32.9%
Management transition charges and employee termination costs	(1,172,000)	(6,875,000)	5,703,000	n/a
Impairment charges	(5,779,000)	(7,148,000)	1,369,000	n/a
Acquisition transaction costs and terminated projects	(116,000)	(1,436,000)	1,320,000	n/a
Depreciation and amortization	(44,540,000)	(43,105,000)	(1,435,000)	3.3%
Interest expense	(39,359,000)	(41,746,000)	2,387,000	-5.7%
Accelerated write-off of deferred financing costs	(2,607,000)	—	(2,607,000)	n/a
Interest income	191,000	349,000	(158,000)	-45.3%
Equity in income of unconsolidated joint ventures	1,481,000	1,671,000	(190,000)	-11.4%
Gain (loss) on exit from unconsolidated joint ventures	30,526,000	(7,961,000)	38,487,000	n/a
Gain on sales	997,000	130,000	867,000	n/a
Income (loss) from continuing operations	25,377,000	(26,068,000)	51,445,000	
Discontinued operations:				
Income from operations	3,963,000	5,128,000	(1,165,000)	-22.7%
Impairment charges, net	(4,000)	(88,458,000)	88,454,000	n/a
Gain on sales	4,679,000	884,000	3,795,000	n/a
Net income (loss)	34,015,000	(108,514,000)	142,529,000	
Net income (loss) attributable to noncontrolling interests	4,309,000	(4,953,000)	9,262,000	
Net income (loss) attributable to Cedar Realty Trust, Inc.	<u>\$ 29,706,000</u>	<u>\$(103,561,000)</u>	<u>\$133,267,000</u>	

Properties held in both periods. The Company held 65 properties (excluding properties “held for sale/conveyance”) throughout 2012 and 2011.

Revenues were higher primarily as a result of increases in (1) lease termination income (\$3.0 million), (2) rental revenues and expense recoveries at properties acquired in the fourth quarter of 2012 and first quarter of 2011 (\$1.8 million), and (3) rental revenues and expense recoveries at ground-up development properties (\$1.7 million), offset by a decrease in expense recoveries at the Company’s other operating properties (\$1.0 million), due to lower property operating expenses.

Property operating expenses were lower primarily as a result of decreases in (1) payroll and related benefits and costs (\$1.9 million), (2) snow removal costs (\$1.8 million), and (3) administrative costs (\$0.6 million), offset by an increase in real estate taxes (\$0.9 million).

General and administrative expenses were higher primarily as a result of (1) increases in payroll and related benefits and costs (\$2.5 million), and (2) costs related to share-based compensation (\$1.0 million).

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Management transition charges and employee termination costs in 2012 reflect separation arrangements and terminations of employment agreements relating primarily to employee headcount reductions instituted in connection with recent property dispositions and the exit from the Cedar/RioCan joint venture. Such costs consist of (1) severance and benefits (\$0.7 million), (2) accelerated vesting of share-based compensation grants (\$0.4 million), and (3) other costs (\$0.1 million). Management transition charges and employee termination costs in 2011 relate to the retirement of the Company's then Chairman of the Board, Chief Executive Officer and President, and the end of the employment of the Company's then Chief Financial Officer, and include (1) an aggregate of approximately \$3.7 million in cash severance payments (including the cost of related payroll taxes and benefits), (2) the write off of all amounts related to the vesting of restricted share-based compensation grants (an aggregate of approximately \$2.0 million), and (3) approximately \$1.2 million of other non-recurring costs, primarily professional fees and expenses related to the hiring of a new President/Chief Executive Officer and Chief Financial Officer.

Impairment charges in 2012 relate to (1) the write-off of the Ohio property loan receivable (\$4.4 million), and (2) certain land parcels treated as "held for sale/conveyance" (\$1.3 million). Impairment charges in 2011 relate to certain land parcels treated as "held for sale/conveyance".

Acquisition transaction costs and terminated projects in 2012 include costs incurred related to property acquisitions. Acquisition transaction costs and terminated projects in 2011 include (1) costs incurred related to a property acquisition, and (2) the termination of several redevelopment projects that the Company determined would not go forward.

Depreciation and amortization expenses were higher primarily as a result of (1) the acquisition of a property in October 2012 (\$0.7 million), (2) improvements being placed in service at ground-up development and redevelopment properties (\$0.7 million), and (3) the write-off of tenant improvements for a tenant who vacated during 2012 (\$0.3 million), offset by the completion of scheduled depreciation and amortization. (\$0.2 million)

Interest expense decreased primarily as a result of (1) lower amortization of deferred financing costs related to the new credit facility entered into during the first quarter of 2012 (\$2.2 million), (2) a decrease in the overall outstanding principal balance of debt (\$1.0 million), and (3) a decrease in the overall weighted average interest rate (\$0.5 million), offset by a decrease in capitalized interest (\$1.3 million).

Accelerated write-off of deferred financing costs in 2012 relates to the write-off of unamortized fees associated with the Company's terminated stabilized property and development property credit facilities.

Equity in income of unconsolidated joint ventures was lower in 2012 as a result of lost revenues from the tenant at the then redevelopment joint venture in Philadelphia, Pennsylvania vacating the premises in April 2011 (\$0.3 million), offset by an increase in operating results from the Cedar/RioCan joint venture through the date the Company concluded exit agreements, as more fully discussed elsewhere in this report (\$0.1 million).

Gain (loss) on exit from unconsolidated joint ventures in 2012 relates to the exit from the Cedar/RioCan joint venture, as more fully discussed elsewhere in this report. Gain (loss) on exit from unconsolidated joint ventures in 2011 represents the write-off of an investment in an unconsolidated joint venture relating to the Company's decision not to go forward with the

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development of two adjacent properties in Philadelphia, Pennsylvania. The impairment loss for the wholly-owned property is included in loss from discontinued operations.

Gain on sales in 2012 and 2011 relate principally to sales of land parcels treated as “held for sale/conveyance” as part of the Company’s 2011 business plan, as more fully discussed elsewhere in this report.

Discontinued operations for 2012 and 2011 include the results of operations, net impairment charges and gain on sales for certain properties sold or treated as “held for sale/conveyance”, as part of the Company’s 2011 business plan, as more fully discussed elsewhere in this report.

Comparison of 2011 to 2010

	2011	2010	Change	
			Dollars	Percent
Revenues	\$ 134,828,000	\$ 130,998,000	\$ 3,830,000	2.9%
Property operating expenses	44,035,000	41,599,000	2,436,000	5.9%
Property operating income	90,793,000	89,399,000	1,394,000	1.6%
General and administrative	(10,740,000)	(9,537,000)	(1,203,000)	12.6%
Management transition charges and employee termination costs	(6,875,000)	—	(6,875,000)	n/a
Impairment charges	(7,148,000)	(2,493,000)	(4,655,000)	n/a
Acquisition transaction costs and terminated projects	(1,436,000)	(3,958,000)	2,522,000	n/a
Depreciation and amortization	(43,105,000)	(34,735,000)	(8,370,000)	24.1%
Interest expense	(41,746,000)	(43,007,000)	1,261,000	-2.9%
Accelerated write-off of deferred financing costs	—	(2,552,000)	2,552,000	n/a
Interest income	349,000	21,000	328,000	1561.9%
Equity in income of unconsolidated joint ventures	1,671,000	484,000	1,187,000	245.2%
Loss on exit from unconsolidated joint venture	(7,961,000)	—	(7,961,000)	n/a
Gain on sales	130,000	—	130,000	n/a
(Loss) from continuing operations	(26,068,000)	(6,378,000)	(19,690,000)	
Discontinued operations:				
Income from operations	5,128,000	1,846,000	3,282,000	177.8%
Impairment charges	(88,458,000)	(39,822,000)	(48,636,000)	n/a
Gain on sales	884,000	170,000	714,000	n/a
Net (loss)	(108,514,000)	(44,184,000)	(64,330,000)	
Net (loss) attributable to noncontrolling interests	(4,953,000)	(2,895,000)	(2,058,000)	
Net (loss) attributable to Cedar Realty Trust, Inc.	<u>\$ (103,561,000)</u>	<u>\$ (41,289,000)</u>	<u>\$ (62,272,000)</u>	

Properties held in both periods. The Company held 65 properties (excluding properties “held for sale/conveyance”) throughout 2011 and 2010.

Revenues were higher primarily as a result of increases in (1) revenues from a property acquired in 2011 (\$5.9 million), (2) base rent and tenant recoveries at ground-up development properties (\$1.3 million), (3) base rent and tenant recoveries at other operating properties (\$1.2 million), and (4) base rent and tenant recoveries at redevelopment properties (\$1.0 million), off-

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set by decreases in (5) revenues from properties transferred to the Cedar/RioCan joint venture in 2010 (\$3.3 million), (6) amortization of intangible lease liabilities (\$1.2 million), (7) fees earned from unconsolidated joint ventures (\$0.8 million), and (8) straight-line rents (\$0.4 million).

Property operating expenses were higher primarily as a result of increases in (1) expenses at a property acquired in 2011 (\$1.9 million), (2) payroll and related expenses (\$0.7 million), (3) snow removal costs (\$0.3 million), (4) real estate taxes (\$0.2 million), and (5) other operating expenses (\$0.2 million), off-set by decreases in (6) expenses at properties transferred to the Cedar/RioCan joint venture in 2010 (\$0.8 million), and (7) the provision for doubtful accounts (\$0.2 million).

General and administrative expenses were higher primarily as a result of increases in (1) payroll and payroll related expenses (\$0.3 million), (2) a legal settlement received in the Company's favor in 2010 in excess of a legal settlement received in the Company's favor in 2011 (\$0.5 million), (3) accounting and other professional fees (\$0.2 million), (4) information technology costs (\$0.2 million), (5) rent expense (\$0.1 million), and (6) other costs (\$0.2 million).

Management transition charges and employee termination costs in 2011 relate to the retirement of the Company's then Chairman of the Board, Chief Executive Officer and President, and the end of the employment of the Company's then Chief Financial Officer, and include (1) an aggregate of approximately \$3.7 million in cash severance payments (including the cost of related payroll taxes and benefits), (2) the write off of all amounts related to the vesting of share-based compensation grants (an aggregate of approximately \$2.0 million), and (3) approximately \$1.2 million of other non-recurring costs, primarily professional fees and expenses related to the hiring of a new President/Chief Executive Officer and Chief Financial Officer.

Impairment charges for 2011 relate principally to certain land parcels treated as "held for sale", as more fully discussed elsewhere in this report. Impairment charges for 2010 relate principally to certain of the properties initially transferred to the Cedar/RioCan joint venture.

Acquisition transaction costs and terminated projects were lower in 2011 primarily due to fees to the Company's advisor accrued in 2010 related to Cedar/RioCan joint venture transactions.

Depreciation and amortization expenses increased primarily as a result of the change in use of a building, at a redevelopment project, which was scheduled to be demolished in 2012. Other factors contributing to the increase included (1) additional depreciation expense at ground-up and redevelopment properties as improvements have been placed into service, and (2) increases related to capital improvements at other operating properties.

Interest expense decreased primarily as a result of (1) lower amortization of deferred financing costs, principally related to the accelerated write-off of deferred financing costs in September 2010 (\$1.4 million), (2) lower outstanding borrowings under the Company's credit facilities (\$1.1 million), and (3) higher capitalized interest (\$0.3 million), off-set by (4) an increase in mortgage interest expense as a result of property acquisitions and property-specific financings (\$1.5 million).

Accelerated write-off of deferred financing costs in 2010 resulted from the Company, at its option, reducing the commitments under the stabilized property credit facility from \$285.0 million to \$185.0 million.

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Equity in income of unconsolidated joint ventures was higher in 2011 primarily as a result of an increase in operating results from the Cedar/RioCan joint venture, due principally to lower acquisition transaction costs in 2011 compared to those incurred in 2010, offset by nominal operating results in 2011 as compared with 2010 from the joint venture redevelopment property in Philadelphia (as more fully discussed elsewhere in this report).

Loss on exit from unconsolidated joint venture in 2011 represents the write-off of an investment in an unconsolidated joint venture relating to the Company's decision not to go forward with the development of two adjacent properties in Philadelphia, Pennsylvania. The impairment loss for the wholly-owned property is included in loss from discontinued operations.

Discontinued operations for 2011 and 2010 include the results of operations, impairment charges and gain on sales for certain properties sold or treated as "held for sale/conveyance", as more fully discussed elsewhere in this report.

Same-Property Net Operating Income

Same-property net operating income ("same-property NOI") is a widely-used non-GAAP financial measure for REITs that the Company believes, when considered with financial statements prepared in accordance with GAAP, is useful to investors as it provides an indication of the recurring cash generated by the Company's properties by excluding certain non-cash revenues and expenses, as well as other infrequent items such as lease termination income which tends to fluctuate more than rents from year to year. Properties are included in same-property NOI if they are owned and operated for the entirety of both periods being compared, except for properties undergoing significant redevelopment and expansion until such properties have stabilized, and properties classified as "held for sale/conveyance". Consistent with the capital treatment of such costs under GAAP, tenant improvements, leasing commissions and other direct leasing costs are excluded from same-property NOI.

Same-property NOI should not be considered as an alternative to net income prepared in accordance with GAAP or as a measure of liquidity. Further, same-property NOI is a measure for which there is no standard industry definition and, as such, it is not consistently defined or reported on among the Company's peers, and thus may not provide an adequate basis for comparison between REITs. The following table reconciles same-property NOI to the Company's consolidated operating income.

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	Years ended December 31,	
	2012	2011
Consolidated operating income	\$ 34,148,000	\$ 21,489,000
Add:		
General and administrative	14,277,000	10,740,000
Management transition charges and employee termination costs	1,172,000	6,875,000
Impairment charges	5,779,000	7,148,000
Acquisition transaction costs and terminated projects	116,000	1,436,000
Depreciation and amortization	44,540,000	43,105,000
Corporate costs included in property expenses	6,990,000	9,434,000
Less:		
Management fee income	(2,754,000)	(2,755,000)
Straight-line rents	(986,000)	(1,199,000)
Amortization of intangible lease liabilities	(5,364,000)	(5,736,000)
Internal management fees charged to properties	(3,056,000)	(3,034,000)
Other (a)	(2,761,000)	—
Consolidated NOI	92,101,000	87,503,000
Less NOI related to properties not defined as same-property	(20,867,000)	(17,021,000)
Same-property NOI	<u>\$ 71,234,000</u>	<u>\$ 70,482,000</u>
Number of same properties		59
Same-property occupancy, end of period	93.6%	93.2%
Same-property average base rent, end of period	\$ 11.28	\$ 11.23

(a) Primarily lease termination income.

Same-property NOI for 2012 increased approximately 1.1% over 2011 as a result, principally, of (1) a 40 bps increase in occupancy, and (2) a modest increase in average base rent at the properties. The comparative results were negatively impacted by replacing the dark anchor at Oakland Commons, located in Bristol, Connecticut. By excluding the down time impact prior to Wal-Mart taking possession of the space, same-property NOI would have increased to 1.8%.

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Leasing Activity

The following is a summary of the Company's leasing activity during the year ended December 31, 2012 for the consolidated portfolio:

	Leases signed	GLA	New rent per sq.ft. (\$)	Prior rent per sq.ft. (\$)	Cash basis % change	Tenant improvement per sq.ft. (\$) (a)
Renewals	111	486,000	13.14	12.20	7.7%	0.00
New Leases	48	229,000	14.48	n/a	n/a	9.23
Total (b)	159	715,000	13.57	n/a	n/a	2.95

- (a) Includes tenant allowance and landlord work. Excludes first generation space.
(b) For 2012, combined legal fees and lease commissions averaged \$2.49 per square foot.

Liquidity and Capital Resources

The Company funds operating expenses and other short-term liquidity requirements, including debt service, tenant improvements, leasing commissions, preferred and common dividend distributions and distributions to minority interest partners, if made, primarily from its operations. The Company may also use its revolving credit facility for these purposes. The Company expects to fund long-term liquidity requirements for property acquisitions, redevelopment costs, remaining development costs, capital improvements, joint venture contributions, and maturing debt initially with its credit facility, and ultimately through a combination of issuing and/or assuming additional mortgage debt, the sale of equity securities, the issuance of additional OP Units, and the sale of properties. Although the Company believes it has access to secured financing, there can be no assurance that the Company will have the availability of mortgage financing on completed development projects, additional construction financing, or proceeds from the refinancing of existing debt.

Debt is comprised of the following at December 31, 2012:

Description	Balance outstanding	Interest rates	
		Weighted - average	Range
Fixed-rate mortgages (a)	\$544,799,000	5.6%	3.1% - 7.5%
Variable-rate mortgage	60,417,000	3.0%	
Total property-specific mortgages	605,216,000	5.3%	
Corporate Credit Facility:			
Revolving facility	81,000,000	2.8%	
Term loan	75,000,000	2.8%	
	\$761,216,000	4.8%	

- (a) At December 31, 2012, the Company had approximately \$31.4 million of mortgage loans payable subject to interest rate swaps which converted LIBOR-based variable rates to fixed annual rates ranging from 5.2% to 6.5% per annum.

As noted above, in January 2012, the Company entered into a new \$300 million Credit Facility, comprised of a four-year \$75 million term loan and a three-year \$225 million revolving

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credit facility, subject to collateral in place. Subject to customary conditions, the term loan and the revolving credit facility may both be extended for one additional year at the Company's option. Under an accordion feature, the Credit Facility can be increased to \$500 million, subject to customary conditions, collateral in place and lending commitments from participating banks. The Credit Facility contains financial covenants including, but not limited to, maximum debt leverage, minimum interest coverage, minimum fixed charge coverage, and minimum net worth. In addition, the Credit Facility contains restrictions including, but not limited to, limits on indebtedness, certain investments and distributions. The Credit Facility is available to fund acquisitions, redevelopment and remaining development activities, capital expenditures, mortgage repayments, dividend distributions, working capital and other general corporate purposes. Borrowings under the Credit Facility are priced at LIBOR plus 250 bps (a weighted-average of 2.8% per annum at December 31, 2012) and can range from LIBOR plus 200 to 300 bps based on the Company's leverage ratio. As of December 31, 2012, the Company has \$81.0 million outstanding under the revolving credit portion of the Credit Facility, and had \$81.8 million available for additional borrowings as of that date.

Property-specific mortgage loans payable at December 31, 2012 consisted of fixed-rate notes totaling \$544.8 million, with a weighted average interest rate of 5.6%, and a LIBOR-based variable-rate note totaling \$60.4 million, with an effective interest rate of 3.0% per annum at that date. For 2013, the Company has approximately \$4.4 million of scheduled debt principal amortization payments and \$114.6 million of scheduled balloon payments.

Total mortgage loans payable and secured credit facilities have an overall weighted average interest rate of 4.8% and mature at various dates through 2029. The terms of several of the Company's mortgage loans payable require the Company to deposit certain replacement and other reserves with its lenders. Such "restricted cash" is generally available only for property-level requirements for which the reserves have been established, and is not available to fund other property-level or Company-level obligations.

In February 2013, the Company concluded a public offering of 2.3 million shares of its Series B Preferred Stock (including 0.3 million shares relating to the exercise by the underwriters of their over-allotment option) and realized net proceeds, after offering expenses, of approximately \$54.7 million. At the same time, the Company announced that it would redeem all the remaining 1.4 million shares of its Series A Preferred Stock, requiring a total cash outlay of approximately \$35.4 million.

In order to continue qualifying as a REIT, the Company is required to distribute at least 90% of its "REIT taxable income", as defined in the Internal Revenue Code of 1986, as amended (the "Code"). The Company paid dividends totaling \$0.20 per share during 2012, reduced from \$0.36 per share during 2011. While the Company intends to continue paying regular quarterly dividends, future dividend declarations will continue to be at the discretion of the Board of Directors, and will depend on the cash flow and financial condition of the Company, capital requirements, annual distribution requirements under the REIT provisions of the Code, and such other factors as the Board of Directors may deem relevant.

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Contractual obligations and commercial commitments

The following table sets forth the Company's significant debt repayment, interest and operating lease obligations at December 31, 2012:

	Maturity Date						Total
	2013	2014	2015	2016	2017	Thereafter	
Debt: (a)							
Mortgage loans payable (b)	\$ 119,050,000	\$ 107,786,000	\$ 73,766,000	\$ 139,939,000	\$ 63,384,000	\$ 101,291,000	\$ 605,216,000
Credit Facility (c)	—	—	81,000,000	75,000,000	—	—	156,000,000
Interest payments (d)	34,032,000	27,668,000	20,641,000	14,619,000	5,620,000	20,379,000	122,959,000
Operating lease obligations	1,501,000	1,515,000	1,530,000	1,539,000	1,057,000	10,020,000	17,162,000
Total	<u>\$ 154,583,000</u>	<u>\$ 136,969,000</u>	<u>\$ 176,937,000</u>	<u>\$ 231,097,000</u>	<u>\$ 70,061,000</u>	<u>\$ 131,690,000</u>	<u>\$ 901,337,000</u>

- (a) Does not include approximately \$23.3 million applicable to discontinued operations (See Note 4 of notes to Consolidated Financial Statements).
- (b) Mortgage loans payable for 2013 includes \$59.7 million applicable to property-specific financing which is subject to a one-year extension option.
- (c) The revolving facility and the term loan are each subject to a one-year extension option.
- (d) Represents interest payments expected to be incurred on the Company's consolidated debt obligations as of December 31, 2012, including capitalized interest.

For variable-rate debt, the rate in effect at December 31, 2012 is assumed to remain in effect until the maturities of the respective obligations.

Net Cash Flows

	2012	2011	2010
Cash flows provided by (used in):			
Operating activities	\$ 50,588,000	\$ 39,246,000	\$ 41,702,000
Investing activities	\$ 50,114,000	\$(64,241,000)	\$(29,834,000)
Financing activities	\$(105,250,000)	\$ 22,899,000	\$(14,866,000)

Operating Activities

Net cash provided by operating activities, before net changes in operating assets and liabilities was \$53.6 million, \$48.0 million and \$49.8 million for the years ended December 31, 2012, 2011 and 2010, respectively. The amounts for 2012 include \$3.0 million of lease termination income and \$0.6 million for management transition charges and employee termination costs. The amounts for 2011 include \$4.5 million for management transition charges and employee termination costs. The net changes in operating assets and liabilities ((\$3.1) million in 2012, (\$8.7) million in 2011, and (\$8.1) million in 2010) were primarily the result of collections of receivables and the timing of payments of accounts payable and accrued liabilities.

Investing Activities

During 2012, the Company had net proceeds from the exit from the Cedar/RioCan unconsolidated joint venture (\$41.6 million), proceeds from sales of properties treated as discontinued operations (\$34.9 million), distributions of capital from the Cedar/RioCan joint venture (\$2.8 million), and a decrease in constructions escrows and other (\$2.4 million), offset by expenditures for property improvements (\$31.5 million). During 2011, the Company acquired a grocery-anchored shopping center and incurred expenditures for property improvements (an

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aggregate of \$92.2 million), had an increase in construction escrows and other (\$6.2 million) and made investments in the Cedar/RioCan joint venture (\$4.3 million), offset by proceeds from sales of properties treated as discontinued operations (\$30.6 million), net proceeds relating to the properties transferred to the Cedar/RioCan joint venture (\$3.5 million) and distribution of capital from the Cedar/RioCan joint venture (\$4.3 million). During 2010, the Company made investments in the Cedar/RioCan joint venture (\$51.4 million), acquired a single-tenant office property and incurred expenditures for property improvements (an aggregate of \$30.2 million), and had an increase in construction escrows and other (\$3.4 million), offset by proceeds from the transfers of five properties to the Cedar/RioCan joint venture (\$31.0 million), distributions of capital from the Cedar/RioCan joint venture (\$21.5 million), and the sales of properties treated as discontinued operations (\$2.7 million).

Financing Activities

During 2012, the Company had redemptions and repurchases of the 8.875% Series A cumulative Redeemable Preferred Stock (\$124.9 million), repayments of mortgage obligations (\$79.6 million), preferred and common stock distributions (\$29.2 million), net repayments under its credit facilities (\$10.3 million), the purchase of joint venture minority interests share (\$6.1 million), the payment of debt financing costs (\$4.9 million) and distributions to noncontrolling interests (minority interest and limited partners—\$4.3 million), offset by net proceeds from the sale of the 7.25% Series B Cumulative Redeemable Preferred Stock (\$124.4 million) and proceeds from mortgage financings (\$30.0 million). During 2011, the Company received proceeds from mortgage refinancings (\$45.8 million), net advances from its revolving credit facilities (\$33.7 million), proceeds from the sale of common stock (\$4.3 million), and had a contribution from a consolidated joint venture minority interest (\$0.3 million), offset by preferred and common stock distributions (\$38.9 million), repayment of mortgage obligations (\$17.4 million), distributions to noncontrolling interest (minority interest and limited partners—\$3.8 million), and the payment of debt financing costs (\$1.1 million). During 2010, the Company had net repayments to its revolving credit facilities (\$125.1 million), preferred and common stock distributions (\$31.9 million), repayment of mortgage obligations (\$20.9 million), termination payments relating to interest rate swaps (\$5.5 million), distributions paid to noncontrolling interests (minority interest and limited partners—\$4.2 million), redemptions of OP Units (\$3.4 million), and the payment of debt financing costs (\$2.0 million), offset by the proceeds from sales of preferred and common stock (\$141.2 million), the proceeds of mortgage financings (\$27.0 million), and the proceeds from the exercise of the RioCan warrant (\$10.0 million).

Funds From Operations

Funds From Operations “FFO” is a widely-recognized non-GAAP financial measure for REITs that the Company believes, when considered with financial statements prepared in accordance with GAAP, is useful to investors in understanding financial performance and providing a relevant basis for comparison among REITs. In addition, FFO is useful to investors as it captures features particular to real estate performance by recognizing that real estate generally appreciates over time or maintains residual value to a much greater extent than do other depreciable assets. Investors should review FFO, along with GAAP net income, when trying to understand a REIT’s operating performance. The Company considers FFO an important supplemental measure of its operating performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs.

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The Company computes FFO in accordance with the “White Paper” published by the National Association of Real Estate Investment Trusts (“NAREIT”), which defines FFO as net income applicable to common shareholders (determined in accordance with GAAP), excluding impairment charges, gains or losses from debt restructurings and sales of properties, plus real estate-related depreciation and amortization, and after adjustments for partnerships and joint ventures (which are computed to reflect FFO on the same basis). FFO does not represent cash generated from operating activities and should not be considered as an alternative to net income applicable to common shareholders or to cash flow from operating activities. FFO is not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions. Although FFO is a measure used for comparability in assessing the performance of REITs, as the NAREIT White Paper only provides guidelines for computing FFO, the computation of FFO may vary from one company to another. The following table sets forth the Company’s calculations of FFO for 2012, 2011 and 2010:

	2012	2011	2010
Net income (loss) attributable to common shareholders	\$ 9,889,000	\$(117,761,000)	\$(51,485,000)
Add (deduct):			
Real estate depreciation and amortization	44,335,000	48,156,000	46,279,000
Limited partners’ interest	(26,000)	(2,446,000)	(1,282,000)
Impairment charges, net	5,783,000	95,606,000	42,315,000
(Gain) loss on exit from unconsolidated joint ventures	(30,526,000)	7,961,000	—
(Gain) on sales	(5,676,000)	(884,000)	(170,000)
Consolidated minority interests:			
Share of income	4,335,000	(2,507,000)	(1,613,000)
Share of FFO	(4,562,000)	(5,918,000)	(6,846,000)
Unconsolidated joint ventures:			
Share of income	(1,481,000)	(1,671,000)	(484,000)
Share of FFO	4,646,000	5,984,000	2,796,000
FFO	<u>\$ 26,717,000</u>	<u>\$ 26,520,000</u>	<u>\$ 29,510,000</u>

Inflation

Inflation has been relatively low in recent years and has not had a significant detrimental impact on the Company’s results of operations. Should inflation rates increase in the future, substantially all of the Company’s tenant leases contain provisions designed to partially mitigate the negative impact of inflation in the near term. Such lease provisions include clauses that require tenants to reimburse the Company for real estate taxes and many of the operating expenses it incurs. Significant inflation rate increases over a prolonged period of time may have a material adverse impact on the Company’s business.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

One of the principal market risks facing the Company is interest rate risk on its credit facilities. The Company may, when advantageous, hedge its interest rate risk by using derivative financial instruments. The Company is not subject to foreign currency risk.

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The Company is exposed to interest rate changes primarily through (1) the variable-rate credit facilities used to maintain liquidity, fund capital expenditures and ground-up development/redevelopment activities, and expand its real estate investment portfolio, (2) property-specific variable-rate construction financing, and (3) other property-specific variable-rate mortgages. The Company's objectives with respect to interest rate risk are to limit the impact of interest rate changes on operations and cash flows, and to lower its overall borrowing costs. To achieve these objectives, the Company may borrow at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps, etc., in order to mitigate its interest rate risk on a related variable-rate financial instrument. The Company does not enter into derivative or interest rate transactions for speculative purposes. At December 31, 2012, the Company had approximately \$31.4 million of mortgage loans payable subject to interest rate swaps which converted LIBOR-based variable rates to fixed annual rates ranging from 5.2% to 6.5% per annum. At that date, the Company had accrued liabilities of \$1.6 million (included in accounts payable and accrued liabilities on the consolidated balance sheet) relating to the fair value of interest rate swaps applicable to these mortgage loans payable.

At December 31, 2012, long-term debt consisted of fixed-rate mortgage loans payable and variable-rate debt (including the Company's variable-rate Credit Facility). The average interest rate on the \$544.8 million of fixed-rate indebtedness outstanding was 5.6%, with maturities at various dates through 2029. The average interest rate on the \$216.4 million of variable-rate debt (including \$156.0 million in advances under the Company's Credit Facility) was 2.9%. The \$81.0 million revolving credit segment of the new facility matures in January 2015, and the \$75.0 million term loan segment matures in January 2016, each subject to a one-year extension option. With respect to the \$216.4 million of variable-rate debt outstanding at December 31, 2012, if interest rates either increase or decrease by 1%, the Company's interest cost would increase or decrease respectively by approximately \$2.2 million per annum.

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Item 8. Financial Statements and Supplementary Data

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<u>Notes to Consolidated Financial Statements</u>	55-94
<u>Schedule Filed As Part Of This Report Schedule III – Real Estate and Accumulated Depreciation, December 31, 2012</u>	95-99

All other schedules have been omitted because the required information is not present, is not present in amounts sufficient to require submission of the schedule, or is included in the consolidated financial statements or notes thereto.

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Report of Independent Registered Public Accounting Firm

**The Board of Directors and Shareholders of
Cedar Realty Trust, Inc.**

We have audited the accompanying consolidated balance sheets of Cedar Realty Trust, Inc. (the “Company”) as of December 31, 2012 and 2011, and the related consolidated statements of operations and comprehensive income (loss), equity, and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in the Index at Item 8. These financial statements and schedule are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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 Realty Trust, Inc. at December 31, 2012 and 2011, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Cedar Realty Trust, Inc.’s internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 7, 2013 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
March 7, 2013

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CEDAR REALTY TRUST, INC.
Consolidated Balance Sheets

	December 31,	
	2012	2011
Assets		
Real estate:		
Land	\$ 282,383,000	\$ 268,182,000
Buildings and improvements	1,178,111,000	1,095,754,000
	1,460,494,000	1,363,936,000
Less accumulated depreciation	(237,751,000)	(196,661,000)
Real estate, net	1,222,743,000	1,167,275,000
Real estate held for sale/conveyance	77,793,000	211,679,000
Investment in unconsolidated joint venture	—	44,743,000
Cash and cash equivalents	7,522,000	12,070,000
Restricted cash	13,752,000	14,707,000
Receivables	18,289,000	25,660,000
Other assets	7,310,000	12,358,000
Other assets—real estate held for sale/conveyance	—	2,299,000
Deferred charges, net	22,494,000	21,372,000
Total assets	\$ 1,369,903,000	\$ 1,512,163,000
Liabilities and equity		
Mortgage loans payable	\$ 605,216,000	\$ 586,743,000
Mortgage loans payable—real estate held for sale/conveyance	23,258,000	124,888,000
Secured credit facilities	156,000,000	166,317,000
Accounts payable and accrued liabilities	28,179,000	32,404,000
Unamortized intangible lease liabilities	30,508,000	35,017,000
Unamortized intangible lease liabilities—real estate held for sale/conveyance	4,992,000	6,406,000
Total liabilities	848,153,000	951,775,000
Noncontrolling interest—limited partners' mezzanine OP Units	623,000	4,616,000
Commitments and contingencies	—	—
Equity:		
Cedar Realty Trust, Inc. shareholders' equity:		
Preferred stock (\$.01 par value, 12,500,000 shares authorized):		
Series A (\$25.00 per share liquidation value, 1,410,000 and 6,400,000, shares authorized, respectively, 1,408,000 and 6,400,000 shares, issued and outstanding, respectively)	34,882,000	158,575,000
Series B (\$25.00 per share liquidation value, 7,500,000 and 0 shares authorized, respectively, 5,429,000 and 0 shares, issued and, outstanding, respectively)	128,787,000	—
Common stock (\$.06 par value, 150,000,000 shares authorized, 71,817,000 and 67,928,000 shares, issued and outstanding, respectively)	4,309,000	4,076,000
Treasury stock (3,822,000 and 1,313,000 shares, respectively, at cost)	(21,702,000)	(10,528,000)
Additional paid-in capital	748,194,000	718,974,000
Cumulative distributions in excess of net income	(378,254,000)	(373,741,000)
Accumulated other comprehensive loss	(2,560,000)	(3,513,000)
Total Cedar Realty Trust, Inc. shareholders' equity	513,656,000	493,843,000
Noncontrolling interests:		
Minority interests in consolidated joint ventures	6,081,000	56,511,000
Limited partners' OP Units	1,390,000	5,418,000
Total noncontrolling interests	7,471,000	61,929,000
Total equity	521,127,000	555,772,000
Total liabilities and equity	\$ 1,369,903,000	\$ 1,512,163,000

See accompanying notes to consolidated financial statements.

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CEDAR REALTY TRUST, INC.
Consolidated Statements of Operations

	Years ended December 31,		
	2012	2011	2010
Revenues:			
Rents	\$ 108,260,000	\$ 105,008,000	\$ 101,624,000
Expense recoveries	26,302,000	26,810,000	25,588,000
Other	6,021,000	3,010,000	3,786,000
Total revenues	140,583,000	134,828,000	130,998,000
Expenses:			
Operating, maintenance and management	23,037,000	27,457,000	25,499,000
Real estate and other property-related taxes	17,514,000	16,578,000	16,100,000
General and administrative	14,277,000	10,740,000	9,537,000
Management transition charges and employee termination costs	1,172,000	6,875,000	—
Impairment charges	5,779,000	7,148,000	2,493,000
Acquisition transaction costs and terminated projects	116,000	1,436,000	3,958,000
Depreciation and amortization	44,540,000	43,105,000	34,735,000
Total expenses	106,435,000	113,339,000	92,322,000
Operating income	34,148,000	21,489,000	38,676,000
Non-operating income and expense:			
Interest expense	(39,359,000)	(41,746,000)	(43,007,000)
Accelerated write-off of deferred financing costs	(2,607,000)	—	(2,552,000)
Interest income	191,000	349,000	21,000
Equity in income of unconsolidated joint ventures	1,481,000	1,671,000	484,000
Gain (loss) on exit from unconsolidated joint ventures	30,526,000	(7,961,000)	—
Gain on sales	997,000	130,000	—
Total non-operating income and expense	(8,771,000)	(47,557,000)	(45,054,000)
Income (loss) from continuing operations	25,377,000	(26,068,000)	(6,378,000)
Discontinued operations:			
Income from operations	3,963,000	5,128,000	1,846,000
Impairment charges, net	(4,000)	(88,458,000)	(39,822,000)
Gain on sales	4,679,000	884,000	170,000
Total discontinued operations	8,638,000	(82,446,000)	(37,806,000)
Net income (loss)	34,015,000	(108,514,000)	(44,184,000)
Less, net (income) loss attributable to noncontrolling interests:			
Minority interests in consolidated joint ventures	(4,335,000)	2,507,000	1,613,000
Limited partners' interest in Operating Partnership	26,000	2,446,000	1,282,000
Total net (income) loss attributable to noncontrolling interests	(4,309,000)	4,953,000	2,895,000
Net income (loss) attributable to Cedar Realty Trust, Inc.	29,706,000	(103,561,000)	(41,289,000)
Preferred stock dividends	(14,819,000)	(14,200,000)	(10,196,000)
Preferred stock redemption costs	(4,998,000)	—	—
Net income (loss) attributable to common shareholders	\$ 9,889,000	\$ (117,761,000)	\$ (51,485,000)
Per common share attributable to common shareholders (basic and diluted):			
Continuing operations	\$ 0.07	\$ (0.61)	\$ (0.24)
Discontinued operations	0.06	(1.18)	(0.57)
	<u>\$ 0.13</u>	<u>\$ (1.79)</u>	<u>\$ (0.81)</u>
Amounts attributable to Cedar Realty Trust, Inc. common shareholders, net of noncontrolling interests:			
Income (loss) from continuing operations	\$ 5,935,000	\$ (39,348,000)	\$ (15,623,000)
Income (loss) from discontinued operations	3,954,000	(78,413,000)	(35,862,000)
Net income (loss)	\$ 9,889,000	\$ (117,761,000)	\$ (51,485,000)
Weighted average number of common shares—basic and diluted	68,017,000	66,387,000	63,843,000

See accompanying notes to consolidated financial statements.

CEDAR REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Years ended December 31,		
	2012	2011	2010
Net income (loss)	<u>\$34,015,000</u>	<u>\$ (108,514,000)</u>	<u>\$ (44,184,000)</u>
Other comprehensive income (loss):			
Unrealized gain (loss) on change in fair value of cash flow hedges:			
Consolidated	836,000	3,000	(454,000)
Unconsolidated	<u>118,000</u>	<u>(118,000)</u>	<u>—</u>
Other comprehensive income (loss)	<u>954,000</u>	<u>(115,000)</u>	<u>(454,000)</u>
Comprehensive income (loss)	<u>34,969,000</u>	<u>(108,629,000)</u>	<u>(44,638,000)</u>
Comprehensive (income)/loss attributable to noncontrolling interests	<u>(4,309,000)</u>	<u>4,961,000</u>	<u>2,935,000</u>
Comprehensive income (loss) attributable to Cedar Realty Trust, Inc.	<u>\$30,660,000</u>	<u>\$ (103,668,000)</u>	<u>\$ (41,703,000)</u>

See accompanying notes to consolidated financial statements.

CEDAR REALTY TRUST, INC.
Consolidated Statement of Equity
Years ended December 31, 2012, 2011 and 2010

	Cedar Realty Trust, Inc. Shareholders								
	Preferred stock		Common stock		Treasury stock, at cost	Additional paid-in capital	Cumulative distributions in excess of net income	Accumulated other comprehensive (loss)	Total
	Shares	\$25.00 Liquidation value	Shares	\$0.06 Par value					
Balance, December 31, 2009	3,550,000	\$ 88,750,000	52,139,000	\$ 3,128,000	\$ (9,688,000)	\$ 621,299,000	\$ (162,041,000)	\$ (2,992,000)	\$ 538,456,000
Net (loss)	—	—	—	—	—	—	(41,289,000)	—	(41,289,000)
Unrealized loss on change in fair value of cash flow hedges	—	—	—	—	—	—	—	(414,000)	(414,000)
Share-based compensation, net	—	—	436,000	27,000	(679,000)	3,604,000	—	—	2,952,000
Net proceeds from the sale of preferred and common stock	2,850,000	69,825,000	12,455,000	747,000	—	77,433,000	—	—	148,005,000
Net proceeds from dividend reinvestment and direct stock purchase plan	—	—	1,451,000	87,000	—	8,144,000	—	—	8,231,000
Preferred distribution requirements	—	—	—	—	—	—	(10,196,000)	—	(10,196,000)
Distributions to common shareholders/ noncontrolling interest	—	—	—	—	—	—	(17,749,000)	—	(17,749,000)
Conversion of OP Units into common stock	—	—	39,000	2,000	—	401,000	—	—	403,000
Reallocation adjustment of limited partners' interest	—	—	—	—	—	1,667,000	—	—	1,667,000
Balance, December 31, 2010	6,400,000	158,575,000	66,520,000	3,991,000	(10,367,000)	712,548,000	(231,275,000)	(3,406,000)	630,066,000
Net (loss)	—	—	—	—	—	—	(103,561,000)	—	(103,561,000)
Unrealized gain on change in fair value of cash flow hedges	—	—	—	—	—	—	—	11,000	11,000
Unrealized loss on change in fair value of cash flow hedge—unconsolidated joint venture	—	—	—	—	—	—	—	(118,000)	(118,000)
Share-based compensation, net	—	—	676,000	41,000	(161,000)	1,753,000	—	—	1,633,000
Net proceeds from the sale of common stock	—	—	39,000	2,000	—	223,000	—	—	225,000
Net proceeds from dividend reinvestment and direct stock purchase plan	—	—	693,000	42,000	—	4,038,000	—	—	4,080,000
Preferred distribution requirements	—	—	—	—	—	—	(14,200,000)	—	(14,200,000)
Distributions to common shareholders/ noncontrolling interest	—	—	—	—	—	—	(24,705,000)	—	(24,705,000)
Contribution from minority interest partners	—	—	—	—	—	—	—	—	—
Reallocation adjustment of limited partners' interest	—	—	—	—	—	412,000	—	—	412,000
Balance, December 31, 2011	6,400,000	158,575,000	67,928,000	4,076,000	(10,528,000)	718,974,000	(373,741,000)	(3,513,000)	493,843,000
Net income (loss)	—	—	—	—	—	—	29,706,000	—	29,706,000
Unrealized gain on change in fair value of cash flow hedges	—	—	—	—	—	—	—	835,000	835,000
Unrealized gain on change in fair value of cash flow hedge—unconsolidated joint venture	—	—	—	—	—	—	—	118,000	118,000
Share-based compensation, net	—	—	2,754,000	165,000	(11,174,000)	14,631,000	—	—	3,622,000
Net proceeds from sales of Series B shares	5,429,000	128,787,000	—	—	—	(4,417,000)	—	—	124,370,000
Redemptions/repurchases of Series A shares	(4,992,000)	(123,693,000)	—	—	—	3,754,000	(4,998,000)	—	(124,937,000)
Common stock sales and issuance expenses, net	—	—	1,000	—	—	(172,000)	—	—	(172,000)
Preferred stock dividends	—	—	—	—	—	—	(14,819,000)	—	(14,819,000)
Distributions to common shareholders/ noncontrolling interests	—	—	—	—	—	—	(14,402,000)	—	(14,402,000)
Conversions of OP Units into common stock	—	—	1,134,000	68,000	—	7,827,000	—	—	7,895,000
Reallocation adjustment of limited partners' interest	—	—	—	—	—	2,000	—	—	2,000
Acquisition of noncontrolling interest	—	—	—	—	—	7,595,000	—	—	7,595,000
Disposition of noncontrolling interest	—	—	—	—	—	—	—	—	—
Balance, December 31, 2012	<u>6,837,000</u>	<u>\$ 163,669,000</u>	<u>71,817,000</u>	<u>\$ 4,309,000</u>	<u>\$ (21,702,000)</u>	<u>\$ 748,194,000</u>	<u>\$ (378,254,000)</u>	<u>\$ (2,560,000)</u>	<u>\$ 513,656,000</u>

CEDAR REALTY TRUST, INC.
Consolidated Statements of Equity
Years ended December 31, 2012, 2011 and 2010
(continued)

	Noncontrolling Interests			Total equity
	Minority interests in consolidated joint ventures	Limited partners' OP Units	Total	
Balance, December 31, 2009	\$ 67,229,000	\$ 8,079,000	\$ 75,308,000	\$ 613,764,000
Net (loss)	(1,613,000)	(642,000)	(2,255,000)	(43,544,000)
Unrealized loss on change in fair value of cash flow hedges	—	(22,000)	(22,000)	(436,000)
Share-based compensation, net	—	—	—	2,952,000
Net proceeds from the sale of preferred and common stock	—	—	—	148,005,000
Net proceeds from dividend reinvestment and direct stock purchase plan	—	—	—	8,231,000
Preferred distribution requirements	—	—	—	(10,196,000)
Distributions to common shareholders/ noncontrolling interest	(3,566,000)	(209,000)	(3,775,000)	(21,524,000)
Conversion of OP Units into common stock	—	(194,000)	(194,000)	209,000
Reallocation adjustment of limited partners' interest	—	(657,000)	(657,000)	1,010,000
Balance, December 31, 2010	62,050,000	6,355,000	68,405,000	698,471,000
Net (loss)	(2,507,000)	(1,320,000)	(3,827,000)	(107,388,000)
Unrealized gain on change in fair value of cash flow hedges	—	(5,000)	(5,000)	6,000
Unrealized loss on change in fair value of cash flow hedge—unconsolidated joint venture	—	—	—	(118,000)
Share-based compensation, net	—	—	—	1,633,000
Net proceeds from the sale of common stock	—	—	—	225,000
Net proceeds from dividend reinvestment and direct stock purchase plan	—	—	—	4,080,000
Preferred distribution requirements	—	—	—	(14,200,000)
Distributions to common shareholders/ noncontrolling interest	(3,301,000)	(276,000)	(3,577,000)	(28,282,000)
Contribution from minority interest partners	269,000	—	269,000	269,000
Reallocation adjustment of limited partners' interest	—	664,000	664,000	1,076,000
Balance, December 31, 2011	56,511,000	5,418,000	61,929,000	555,772,000
Net income (loss)	4,335,000	(35,000)	4,300,000	34,006,000
Unrealized gain on change in fair value of cash flow hedges	—	1,000	1,000	836,000
Unrealized gain on change in fair value of cash flow hedge—unconsolidated joint venture	—	—	—	118,000
Share-based compensation, net	—	—	—	3,622,000
Net proceeds from sales of Series B shares	—	—	—	124,370,000
Redemptions/repurchases of Series A shares	—	—	—	(124,937,000)
Common stock sales and issuance expenses, net	—	—	—	(172,000)
Preferred stock dividends	—	—	—	(14,819,000)
Distributions to common shareholders/ noncontrolling interests	(4,182,000)	(74,000)	(4,256,000)	(18,658,000)
Conversions of OP Units into common stock	—	(3,998,000)	(3,998,000)	3,897,000
Reallocation adjustment of limited partners' interest	—	78,000	78,000	80,000
Acquisition of noncontrolling interest	(13,743,000)	—	(13,743,000)	(6,148,000)
Disposition of noncontrolling interest	(36,840,000)	—	(36,840,000)	(36,840,000)
Balance, December 31, 2012	<u>\$ 6,081,000</u>	<u>\$ 1,390,000</u>	<u>\$ 7,471,000</u>	<u>\$ 521,127,000</u>

See accompanying notes to consolidated financial statements

CEDAR REALTY TRUST, INC.
Consolidated Statements of Cash Flows

	Years ended December 31,		
	2012	2011	2010
Cash flow from operating activities:			
Net income (loss)	\$ 34,015,000	\$(108,514,000)	\$ (44,184,000)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Equity in income of unconsolidated joint ventures	(1,481,000)	(1,671,000)	(484,000)
Distributions from unconsolidated joint ventures	1,481,000	1,399,000	819,000
Acquisition transaction costs and terminated projects	116,000	1,436,000	1,302,000
Impairment charges, net	5,783,000	95,606,000	42,020,000
Gain on sales	(5,676,000)	(1,014,000)	(170,000)
Gain (loss) on exit from unconsolidated joint ventures	(30,526,000)	7,961,000	—
Straight-line rents	(997,000)	(1,611,000)	(1,854,000)
Provision for doubtful accounts	2,826,000	3,270,000	3,952,000
Depreciation and amortization	44,674,000	48,606,000	46,464,000
Amortization of intangible lease liabilities	(5,364,000)	(6,524,000)	(9,154,000)
Expense and market price adjustments relating to share-based compensation	3,913,000	4,890,000	2,979,000
Amortization (including accelerated write-off) of deferred financing costs	4,875,000	4,138,000	8,109,000
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:			
Rents and other receivables, net	(307,000)	(3,374,000)	(4,561,000)
Prepaid expenses and other	(437,000)	(2,774,000)	(2,029,000)
Accounts payable and accrued liabilities	(2,307,000)	(2,578,000)	(1,507,000)
Net cash provided by operating activities	<u>50,588,000</u>	<u>39,246,000</u>	<u>41,702,000</u>
Cash flow from investing activities:			
Acquisition of real estate	—	(51,512,000)	(13,375,000)
Expenditures for real estate improvements	(31,497,000)	(40,640,000)	(16,780,000)
Net proceeds from sales of real estate	34,858,000	30,586,000	2,661,000
Net proceeds from exit from unconsolidated joint venture	41,551,000	—	—
Net proceeds from transfers to unconsolidated joint venture	—	3,545,000	31,013,000
Investments in and advances to unconsolidated joint ventures	—	(4,300,000)	(51,441,000)
Distributions of capital from unconsolidated joint ventures	2,846,000	4,315,000	21,502,000
Construction escrows and other	—	—	—
	<u>2,356,000</u>	<u>(6,235,000)</u>	<u>(3,414,000)</u>
Net cash provided by (used in) investing activities	<u>50,114,000</u>	<u>(64,241,000)</u>	<u>(29,834,000)</u>
Cash flow from financing activities:			
Net (repayments)/advances from revolving credit facilities	(10,317,000)	33,720,000	(125,088,000)
Proceeds from mortgage financings	30,000,000	45,791,000	26,984,000
Mortgage repayments	(79,637,000)	(17,404,000)	(20,944,000)
Payments of debt financing costs	(4,944,000)	(1,068,000)	(2,025,000)
Termination payment related to interest rate swaps	—	—	(5,476,000)
Noncontrolling interests:			
Purchase of joint venture minority interests share	(6,148,000)	—	—
Contributions from consolidated joint venture minority interests	—	269,000	—
Distributions to consolidated joint venture minority interests	(4,182,000)	(3,301,000)	(3,566,000)
Redemptions of Operating Partnership Units	—	—	(3,443,000)
Distributions to limited partners	(99,000)	(508,000)	(654,000)
Net proceeds from sales of preferred stock	124,370,000	—	—
Redemptions/repurchases of preferred stock	(124,937,000)	—	—
Net proceeds from sales of common stock	(172,000)	4,305,000	141,248,000
Exercise of warrant	—	—	10,000,000
Preferred stock dividends	(14,782,000)	(14,200,000)	(9,457,000)
Distributions to common shareholders	(14,402,000)	(24,705,000)	(22,445,000)
Net cash (used in) provided by financing activities	<u>(105,250,000)</u>	<u>22,899,000</u>	<u>(14,866,000)</u>
Net (decrease) in cash and cash equivalents	(4,548,000)	(2,096,000)	(2,998,000)
Cash and cash equivalents at beginning of year	<u>12,070,000</u>	<u>14,166,000</u>	<u>17,164,000</u>
Cash and cash equivalents at end of year	<u>\$ 7,522,000</u>	<u>\$ 12,070,000</u>	<u>\$ 14,166,000</u>

See accompanying notes to consolidated financial statements.

Cedar Realty Trust, Inc.
Notes to Consolidated Financial Statements
December 31, 2012

Note 1. Business and Organization

Cedar Realty Trust, Inc. (the “Company”) is a real estate investment trust (“REIT”) that focuses primarily on ownership and operation of grocery-anchored shopping centers straddling the Washington, DC to Boston corridor. At December 31, 2012, the Company owned and managed a portfolio of 67 operating properties (excluding properties “held for sale/conveyance”).

During 2011, the Company determined (1) to completely exit the Ohio market, principally the Discount Drug Mart portfolio of drugstore/convenience centers, and concentrate on the region that straddles the Washington DC to Boston corridor, (2) to concentrate on grocery-anchored strip centers, by disposing of its mall and single-tenant/triple-net-lease properties, (3) to focus on improving operations and performance at the Company’s remaining properties, and (4) to reduce development activities, by disposing of certain development projects, land acquired for development, and other non-core assets.

On October 10, 2012, the Company concluded definitive agreements with RioCan Real Estate Investment Trust (“RioCan”) to exit the 20% Cedar / 80% RioCan joint venture that owned 22 retail properties. See Note 5 – “Investment in Cedar/RioCan Joint Venture” for additional information relating to this transaction. On October 12, 2012, the Company concluded definitive agreements with Homburg Invest Inc. (“HII”) relating to the application of the buy/sell provisions of the joint venture agreements for each of the nine properties owned by the joint venture. See Note 4 – “Properties Held For Sale and Related Transactions” for additional information relating to this transaction.

Cedar Realty Trust Partnership, L.P. (the “Operating Partnership”) is the entity through which the Company conducts substantially all of its business and owns (either directly or through subsidiaries) substantially all of its assets. At December 31, 2012, the Company owned a 99.6% economic interest in, and was the sole general partner of, the Operating Partnership. The limited partners’ interest in the Operating Partnership (0.4% at December 31, 2012) is represented by Operating Partnership Units (“OP Units”). The carrying amount of such interest is adjusted at the end of each reporting period to an amount equal to the limited partners’ ownership percentage of the Operating Partnership’s net equity. The approximately 281,000 OP Units outstanding at December 31, 2012 are economically equivalent to the Company’s common stock. The holders of OP Units have the right to exchange their OP Units for the same number of shares of the Company’s common stock or, at the Company’s option, for cash.

As used herein, the “Company” refers to Cedar Realty Trust, Inc. and its subsidiaries on a consolidated basis, including the Operating Partnership or, where the context so requires, Cedar Realty Trust, Inc. only.

Cedar Realty Trust, Inc.
Notes to Consolidated Financial Statements
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Note 2. Summary of Significant Accounting Policies

Principles of Consolidation/Basis of Preparation

The consolidated financial statements include the accounts and operations of the Company, the Operating Partnership, its subsidiaries, and certain joint venture partnerships in which it participates. The Company consolidates all variable interest entities (“VIEs”) for which it is the primary beneficiary. Generally, a VIE is an entity with one or more of the following characteristics: (1) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support, (2) as a group, the holders of the equity investment at risk (a) lack the power through voting or similar rights to make decisions about the entity’s activities that significantly impact the entity’s performance, (b) have no obligation to absorb the expected losses of the entity, or (c) have no right to receive the expected residual returns of the entity, or (3) the equity investors have voting rights that are not proportional to their economic interests, and substantially all of the entity’s activities either involve, or are conducted on behalf of, an investor that has disproportionately fewer voting rights. A VIE is required to be consolidated by its primary beneficiary. The primary beneficiary of a VIE has (1) the power to direct the activities that most significantly impact the entity’s economic performance, and (2) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE. Significant judgments related to these determinations include estimates about the current and future fair values, performance of real estate held by these VIEs, and general market conditions.

The Company’s has three 60%-owned joint ventures originally formed to develop the projects known as Upland Square, Heritage Crossings and Crossroads II. These joint ventures are consolidated as they are deemed to be VIEs and the Company is the primary beneficiary. In each case, (1) the Company guarantees all related debt, (2) the Company’s partners are not required to fund additional capital requirements, (3) the Company has an economic interest greater than its voting proportion, and (4) the Company participates in the management activities that significantly impact the performance of these joint ventures. As a result of these and other factors, the Company includes 100% of these joint ventures’ results of operations in net income (loss) attributable to common shareholders. At December 31, 2012, these VIEs owned real estate with a carrying value of \$141.3 million, one of the VIEs had a property-specific mortgage loan payable aggregating \$60.4 million, and the real estate owned by another VIE partially collateralized the Credit Facility to the extent of \$18.9 million. Heritage Crossings is treated as “held for sale/conveyance” at December 31, 2012 (see Note 4 – “Properties Held For Sale and Related Transactions”).

With respect to its two other consolidated joint venture properties, the Company is the general partner and has a partnership interest of 40% in each. As (1) such entities are not VIEs, and (2) the Company is the sole general partner and exercises substantial operating control over these entities, the Company has determined that such entities should be consolidated for financial

Cedar Realty Trust, Inc.
Notes to Consolidated Financial Statements
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statement purposes. Current accounting guidance provides a framework for determining whether a general partner controls, and should consolidate, a limited partnership or similar entity in which it owns a minority interest.

With respect to its 20% interest in the Cedar/RioCan unconsolidated joint venture (see Note 1 – “Business and Organization”), formed in October 2009 for the acquisition of seven shopping center properties owned by the Company, all the properties had been transferred to the joint venture by May 2010. Although the Company provided management and other services, RioCan had significant management participation rights. The Company had determined that this joint venture was not a VIE and, accordingly, the Company accounted for its investment in this joint venture under the equity method. The accounting treatment presentation on the accompanying consolidated statements of operations for 2010 reflects the results of the properties’ operations through the respective dates of transfer in current operations and, prospectively following their transfer to the joint venture, as “equity in income of unconsolidated joint ventures”. Accordingly, revenues for 2010 include \$3.3 million applicable to the periods prior to the dates of transfer.

With respect to its interest in the Homburg joint venture properties (See Note 4 – “Properties Held For Sale and Related Transactions”), the Company was the general partner and had partnership interests of 20% in each of the venture’s nine properties. As (1) such entities are not VIEs, and (2) the Company was the sole general partner and exercised substantial operating control over these entities, the Company had determined that such entities should be consolidated for financial statement purposes.

Until June 2011, the Company had an approximate 85% limited partner’s interest in an unconsolidated joint venture (increased in the second quarter of 2011 from approximately 76% for a payment of \$745,000) which owned a single-tenant property in Philadelphia, Pennsylvania. The Company had determined that this joint venture was not a VIE. As the Company had no control over the entity, did not provide any management or other services to the entity, and had no substantial participating or “kick out” rights, the Company had accounted for its investment in this joint venture under the equity method. In exchange for a payment by the Company of \$838,000 to its joint venture partners, the Company (1) obtained appropriate releases, (2) assigned its limited partnership interest to other partners of the joint venture, and (3) wrote off its investment in the joint venture (as more fully discussed in Note 4 – “Properties Held For Sale and Related Transactions”).

The accompanying financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States (“GAAP”), which requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. Actual results could differ from these estimates.

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Notes to Consolidated Financial Statements
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The consolidated financial statements reflect certain reclassifications of prior period amounts to conform to the 2012 presentation, principally to reflect the sale and/or treatment as “held for sale/conveyance” of certain operating properties and the treatment thereof as “discontinued operations”. The reclassifications had no impact on previously-reported net income attributable to common shareholders or earnings per share.

Real Estate Investments

Real estate investments are carried at cost less accumulated depreciation. The provision for depreciation is calculated using the straight-line method based upon the estimated useful lives of the respective assets of between 3 and 40 years. Depreciation expense amounted to \$41.2 million, \$39.9 million and \$32.1 million for 2012, 2011 and 2010, respectively. Expenditures for betterments that substantially extend the useful lives of the assets are capitalized. Expenditures for maintenance, repairs, and betterments that do not substantially prolong the normal useful life of an asset are charged to operations as incurred.

Real estate investments include costs of ground-up development and redevelopment activities, and construction in progress. Capitalized costs, including interest and other carrying costs during the construction and/or renovation periods, are included in the cost of the related asset and charged to operations through depreciation over the asset’s estimated useful life. A variety of costs are incurred in the acquisition, development and leasing of a property, such as pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs, and other costs incurred during the period of development. After a determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. The Company ceases capitalization on the portions substantially completed and occupied, or held available for occupancy, and capitalizes only those costs associated with the portions under development. The Company considers a construction project to be substantially completed and held available for occupancy upon the completion of tenant improvements, but not later than one year from cessation of major construction activity.

The Company allocates the fair value of real estate acquired to land, buildings and improvements. In addition, the fair value of in-place leases is allocated to intangible lease assets and liabilities. The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, which value is then allocated to land, buildings and improvements based on management’s determination of the relative fair values of these assets. In valuing an acquired property’s intangibles, factors considered by management include an estimate of carrying costs during the expected lease-up periods, such as real estate taxes, insurance, other operating expenses, and estimates of lost rental revenue during the expected lease-up periods based on its evaluation of current market demand. Management also estimates costs to execute similar leases, including leasing commissions, tenant improvements, legal and other related costs.

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Notes to Consolidated Financial Statements
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The values of acquired above-market and below-market leases are recorded based on the present values (using discount rates which reflect the risks associated with the leases acquired) of the differences between the contractual amounts to be received and management's estimate of market lease rates, measured over the terms of the respective leases that management deemed appropriate at the time of the acquisitions. Such valuations include a consideration of the non-cancellable terms of the respective leases as well as any applicable renewal periods. The fair values associated with below-market rental renewal options are determined based on the Company's experience and the relevant facts and circumstances that existed at the time of the acquisitions. The values of above-market leases are amortized to rental income over the terms of the respective non-cancelable lease periods. The portion of the values of below-market leases associated with the original non-cancelable lease terms are amortized to rental income over the terms of the respective non-cancelable lease periods. The portion of the values of the leases associated with below-market renewal options that are likely of exercise are amortized to rental income over the respective renewal periods. The value of other intangible assets (including leasing commissions, tenant improvements, etc.) is amortized to expense over the applicable terms of the respective leases. If a lease were to be terminated prior to its stated expiration or not renewed, all unamortized amounts relating to that lease would be recognized in operations at that time.

Management reviews each real estate investment for impairment whenever events or circumstances indicate that the carrying value of a real estate investment may not be recoverable. The review of recoverability of real estate investments held for use is based on an estimate of the future cash flows that are expected to result from the real estate investment's use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of leasing demand, capital expenditures, competition and other factors. If an impairment event exists due to the projected inability to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds estimated fair value. Real estate investments held for sale/conveyance are carried at the lower of their respective carrying amounts or estimated fair values, less costs to sell. Depreciation and amortization are suspended during the periods held for sale/conveyance.

Sales of real estate are recognized only when sufficient down payments have been obtained, possession and other attributes of ownership have been transferred to the buyer and the Company has no significant continuing involvement. The Company believes these criteria were met for all real estate sold during 2012, 2011 and 2010.

In 2012, 2011, and 2010, the Company included in acquisition transaction costs and terminated projects (1) \$0.1 million, \$0.9 million and \$0, respectively, related to properties the Company acquired, and (2) costs incurred for potential development projects of \$0, \$0.5 million and \$1.3 million, respectively, that the Company determined would not go forward.

Cedar Realty Trust, Inc.
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During 2010, the Company incurred fees to its investment advisor of \$2.7 million related to the Cedar/RioCan joint venture, which is included in acquisition transaction costs and terminated projects.

Cash and Cash Equivalents / Restricted Cash

Cash and cash equivalents consist of cash in banks and short-term investments with original maturities of less than ninety days, and include cash at consolidated joint ventures of \$1.6 million and \$7.7 million at December 31, 2012 and 2011, respectively.

The terms of several of the Company's mortgage loans payable require the Company to deposit certain replacement and other reserves with its lenders. Such "restricted cash" is generally available only for property-level requirements for which the reserves have been established.

Fair Value Measurements

The accounting guidance for fair value measurement establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible while also considering counterparty credit risk in the assessment of fair value.

Revenue Recognition and Receivables

Management has determined that all of the Company's leases with its various tenants are operating leases. Rental income with scheduled rent increases is recognized using the straight-line method over the respective non-cancelable terms of the leases. The aggregate excess of rental revenue recognized on a straight-line basis over the contractual base rents is included in receivables on the consolidated balance sheet. Leases also generally contain provisions under which the tenants reimburse the Company for a portion of property operating expenses and real

Cedar Realty Trust, Inc.
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estate taxes incurred, generally attributable to their respective allocable portions of gross leasable area. Such income is recognized in the periods earned. In addition, a limited number of operating leases contain contingent rent provisions under which tenants are required to pay, as additional rent, a percentage of their sales in excess of a specified amount. The Company defers recognition of contingent rental income until those specified sales targets are met. Revenues also include items such as lease termination fees, which tend to fluctuate more than rents from year to year. Termination fees are fees that the Company has agreed to accept in consideration for permitting certain tenants to terminate their lease prior to the contractual expiration. The Company recognizes lease termination income when the following conditions are met: (1) the lease termination agreement has been executed, (2) the lease termination fee is determinable, (3) all the Company's landlord services pursuant to the terminated lease have been rendered, and (4) collectability of the lease termination fee is assured.

The Company must make estimates as to the collectability of its accounts receivable related to base rent, straight-line rent, percentage rent, expense reimbursements and other revenues. When management analyzes accounts receivable and evaluates the adequacy of the allowance for doubtful accounts, it considers such things as historical bad debts, tenant creditworthiness, current economic trends, current developments relevant to a tenant's business specifically and to its business category generally, and changes in tenants' payment patterns. The allowance for doubtful accounts was \$5.4 million and \$5.8 million at December 31, 2012 and 2011, respectively. The provision for doubtful accounts (included in operating, maintenance and management expenses) was \$1.9 million, \$1.9 million and \$2.1 million in 2012, 2011 and 2010, respectively.

Income Taxes

The Company has elected to be taxed as a REIT under 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 its income that qualifies as REIT taxable income, to the extent that it distributes at least 90% of such REIT taxable income to its shareholders and complies with certain other requirements. As of December 30, 2012, the Company was in compliance with all REIT requirements.

The Company follows a two-step approach for evaluating uncertain federal, state and local tax positions. Recognition (step one) occurs when an enterprise concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement (step two) determines the amount of benefit that more-likely-than-not will be realized upon settlement. Derecognition of a tax position that was previously recognized would occur when a company subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained. The Company has not identified any uncertain tax positions which would require an accrual.

Cedar Realty Trust, Inc.
Notes to Consolidated Financial Statements
December 31, 2012

Derivative Financial Instruments

The Company occasionally utilizes derivative financial instruments, principally interest rate swaps, to manage its exposure to fluctuations in interest rates. The Company has established policies and procedures for risk assessment, and the approval, reporting and monitoring of derivative financial instruments. Derivative financial instruments must be effective in reducing the Company's interest rate risk exposure in order to qualify for hedge accounting. When the terms of an underlying transaction are modified, or when the underlying hedged item ceases to exist, all changes in the fair value of the instrument are marked-to-market with changes in value included in net income for each period until the derivative financial instrument matures or is settled. Any derivative financial instrument used for risk management that does not meet the hedging criteria is marked-to-market with the changes in value included in net income. The Company has not entered into, and does not plan to enter into, derivative financial instruments for trading or speculative purposes.

Noncontrolling Interest—Limited Partners' Mezzanine OP Units

The Company follows the accounting guidance related to noncontrolling interests in consolidated financial statements, which clarifies that a noncontrolling interest in a subsidiary (minority interests or certain limited partners' interest, in the case of the Company), subject to the classification and measurement of redeemable securities, is an ownership interest in a consolidated entity which should be reported as equity in the parent company's consolidated financial statements. The guidance requires a reconciliation of the beginning and ending balances of equity attributable to noncontrolling interests and disclosure, on the face of the consolidated income statement, of those amounts of consolidated net income attributable to the noncontrolling interests. The Company classifies the balances related to minority interests in consolidated joint ventures and limited partners' interest in the Operating Partnership into the consolidated equity accounts, as appropriate. Certain noncontrolling interests of the Company are classified in the mezzanine section of the balance sheet (the "mezzanine OP Units") as such OP Units do not meet the requirements for equity classification (certain of the holders of such OP Units have registration rights that provide such holders with the right to demand registration under the federal securities laws of the common stock of the Company issuable upon conversion of such OP Units). The Company adjusts the carrying value of the mezzanine OP Units each period to equal the greater of its historical carrying value or its redemption value. Through December 31, 2012, there have been no cumulative net adjustments recorded to the carrying amounts of the mezzanine OP Units.

Share-Based Compensation

In June 2012, the Company's shareholders approved the 2012 Stock Incentive Plan (the "2012 Plan"), which was designed to replace the existing 2004 Stock Incentive Plan (the "2004 Plan"). In connection with the approval of the 2012 Plan, the Company agreed not to grant any additional new awards under the 2004 Plan. The 2012 Plan establishes the procedures for the

Cedar Realty Trust, Inc.
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granting of incentive stock options, stock appreciation rights, restricted stock awards, performance units, performance shares and specifically provides for the awarding of the remaining 2.0 million shares to the Company's President and Chief Executive Officer, as provided in his employment agreement. The maximum number of shares of the Company's common stock that may be issued pursuant to the 2012 Plan is 4.5 million, and the maximum number of shares that may be granted to a participant in any calendar year may not exceed 500,000. All grants issued pursuant to the 2012 Plan and 2004 Plan are "restricted stock grants" which generally vest (1) at the end of designated time periods for time-based grants, or (2) upon the completion of a designated period of performance for performance-based grants and satisfaction of performance criteria. Time-based grants are valued according to the market price for the Company's common stock at the date of grant. For performance-based grants, the Company generally engages an independent appraisal company to determine the value of the shares at the date of grant, taking into account the underlying contingency risks associated with the performance criteria. The value of all grants is being expensed on a straight-line basis over the respective vesting periods (irrespective of achievement of the performance-based grants) adjusted, as applicable, for forfeitures. For restricted share grants subject to graded vesting, the amounts expensed are at least equal to the measured expense of each vested tranche. Based on the current terms of the 2012 Plan and 2004 Plan, those grants of restricted shares that are transferred to Rabbi Trusts are classified as treasury stock on the Company's consolidated balance sheet.

Cedar Realty Trust, Inc.
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Supplemental Consolidated Statements of Cash Flows Information

	Years ended December 31,		
	2012	2011	2010
Supplemental disclosure of cash activities:			
Cash paid for interest	\$ 43,663,000	\$47,611,000	\$ 46,247,000
Supplemental disclosure of non-cash activities:			
Conversion of OP Units into common stock	7,895,000	—	403,000
Exchange of joint venture interest for 100% interest in unconsolidated joint venture property:			
Real estate and related assets acquired	75,127,000	—	—
Mortgage loan payable assumed	(43,112,000)	—	—
Mortgage loans payable assumed by buyers	76,632,000	24,273,000	12,358,000
Mortgage loans payable assumed upon acquisition	—	—	(12,967,000)
Acquisition of noncontrolling interests in consolidated joint venture properties	7,595,000	—	—
Disposition of noncontrolling interests in consolidated joint venture properties	(36,840,000)	—	—
Capitalization of interest and deferred financing costs	1,314,000	2,629,000	2,541,000
Deconsolidation of properties transferred to joint venture:			
Real estate, net	—	—	139,743,000
Mortgage loans payable	—	—	(94,018,000)
Other assets/liabilities, net	—	—	(3,574,000)
Investment in and advances to unconsolidated joint venture	—	—	9,423,000

Recently-Issued Accounting Pronouncements

Effective January 1, 2012, the Company adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2011-04, "Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US GAAP and IFRS". This update defines fair value, clarifies a framework to measure fair value, and requires specific disclosures of fair value measurements. The adoption of this guidance did not have a material impact on the Company's financial condition or results of operations.

Effective January 1, 2012, the Company adopted the FASB ASU 2011-05, "Presentation of Comprehensive Income", which requires the components of other comprehensive income to be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The guidance has been applied retrospectively and, other than presentation as a separate financial statement, its adoption did not have an effect on the Company's financial position or results of operations.

Cedar Realty Trust, Inc.
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December 31, 2012

Note 3. Real Estate

Real estate at December 31, 2012 and 2011 is comprised of the following:

	Years ended December 31,	
	2012	2011
Cost		
Balance, beginning of year (a)	\$ 1,363,936,000	\$ 1,283,287,000
Property acquired	76,185,000	46,863,000
Improvements and betterments	20,472,000	33,954,000
Write-off of fully-depreciated assets	(99,000)	(168,000)
Balance, end of the year	<u>\$ 1,460,494,000</u>	<u>\$ 1,363,936,000</u>
Accumulated depreciation		
Balance, beginning of the year (a)	\$ (196,661,000)	\$ (156,917,000)
Depreciation expense	(41,189,000)	(39,912,000)
Write-off of fully-depreciated assets	99,000	168,000
Balance, end of the year	<u>\$ (237,751,000)</u>	<u>\$ (196,661,000)</u>
Net book value	<u>\$ 1,222,743,000</u>	<u>\$ 1,167,275,000</u>

(a) Restated to reflect the reclassifications of properties subsequently treated as “held for sale/conveyance”.

As more fully discussed in Note 5 – “Investment in Cedar/RioCan Joint Venture”, on October 10, 2012, the Company acquired a 100% interest in Franklin Village Plaza, located in Franklin, Massachusetts. As more fully discussed in Note 4 – “Properties Held For Sale and Related Transactions”, on October 12, 2012, the Company acquired the non-controlling 80% ownership interests in Meadows Marketplace, located in Hershey, Pennsylvania, and Fieldstone Marketplace, located in New Bedford, Massachusetts.

On January 14, 2011, the Company acquired Colonial Commons, a shopping center located in Lower Paxton Township, Pennsylvania. The purchase price for the property was approximately \$49.1 million (in addition, the Company incurred transactions costs of \$0.6 million). At closing, the Company entered into a first mortgage in the amount of \$28.1 million, which bears interest at 5.6% per annum and matures in February 2021.

At December 31, 2012, substantially all of the Company’s real estate was pledged as collateral for either mortgage loans payable or the Company’s Credit Facility.

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Note 4 – Properties Held For Sale and Related Transactions

In connection with management's review of the Company's real estate investments, the Company determined in 2011 (1) to completely exit the Ohio market, principally the Discount Drug Mart portfolio of drugstore/convenience centers, and concentrate on the region that straddles the Washington DC to Boston corridor, (2) to concentrate on grocery-anchored strip centers, by disposing of its mall and single-tenant/triple-net-lease properties, (3) to focus on improving operations and performance at the Company's remaining properties, and (4) to reduce development activities, by disposing of certain development projects, land acquired for development, and other non-core assets.

The carrying values of the assets and liabilities of these properties, principally the net book values of the real estate and the related mortgage loans payable to be assumed by the buyers (or conveyed to the mortgagees), have been reclassified as "held for sale/conveyance" on the Company's consolidated balance sheets at December 31, 2012 and December 31, 2011. In addition, the properties' results of operations have been classified as "discontinued operations" for all years presented. The Company anticipates that sales of all such properties remaining classified as "held for sale" will be concluded during 2013.

The following is a summary of the components of income (loss) from discontinued operations:

	Years ended December 31,		
	2012	2011	2010
Revenues:			
Rents	\$16,535,000	\$ 27,432,000	\$ 30,734,000
Expense recoveries	4,358,000	6,668,000	7,221,000
Other	119,000	531,000	81,000
Total revenues	<u>21,012,000</u>	<u>34,631,000</u>	<u>38,036,000</u>
Expenses:			
Operating, maintenance and management	6,780,000	9,196,000	10,241,000
Real estate and other property-related taxes	3,714,000	5,427,000	5,462,000
Depreciation and amortization	134,000	5,501,000	11,709,000
Interest	6,421,000	9,379,000	8,778,000
Total expenses	<u>17,049,000</u>	<u>29,503,000</u>	<u>36,190,000</u>
Income from discontinued operations before impairments	3,963,000	5,128,000	1,846,000
Impairment charges, net	(4,000)	(88,458,000)	(39,822,000)
Income (loss) from discontinued operations	<u>\$ 3,959,000</u>	<u>\$(83,330,000)</u>	<u>\$(37,976,000)</u>
Gain on sales of discontinued operations	<u>\$ 4,679,000</u>	<u>\$ 884,000</u>	<u>\$ 170,000</u>

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Impairment charges and other write-offs are summarized as follows:

	Years ended December 31,		
	2012	2011	2010
Impairment charges—Ohio property loan and land parcels (2012), land parcels (2011) and properties transferred to Cedar/RioCan joint venture (2010) (a)	\$ 5,779,000	\$ 7,148,000	\$ 2,493,000
Loss on exit from unconsolidated joint venture (b)	\$ —	\$ 7,961,000	\$ —
Impairment charges, net—properties held for sale/conveyance (c)	\$ 4,000	\$ 88,458,000	\$ 39,822,000

(a) Included in operating income in the accompanying statements of operations.

(b) Represents the write-off of an investment in an unconsolidated joint venture, and is included in non-operating income and expense in the accompanying statements of operations.

(c) Included in discontinued operations in the accompanying statements of operations.

In April 2011, the Company made a two-year \$4.1 million loan to the developers of a site located in Reynoldsburg, Ohio (the developers are members of the group from which the Company acquired substantially all of its drug store/convenience centers). The loan bears interest at 6.25% per annum and is collateralized by a first mortgage on the development parcel and personal guarantees from certain of the borrowers. During the fourth quarter of 2012, the borrowers failed to make a scheduled payment. The Company has concluded that the loan is unlikely to be paid given (1) the current inability of the developers to find an anchor tenant for the development site, (2) certain use restrictions on the land, and (3) numerous legal judgments against individuals that provided the personal guarantees. Further, the Company does not desire to own the land as it has ceased ground-up development activities. Finally, it is unlikely the Company would foreclose and subsequently sell the property as the tax arrearages associated with the property, legal fees, transfer taxes, brokerage and other costs to sell the land along with the uncertain timing of such a sale makes this not a cost beneficial alternative. Accordingly, in the fourth quarter of 2012, the Company ceased recording any related interest income and wrote off the loan and accrued interest, resulting in an impairment charge of \$4.4 million.

Impairment charges, net, included in discontinued operations for 2012 included (1) impairment reversals of \$2.4 million related to the Homburg joint venture properties, off-set by (2) net impairment charges of \$2.4 million related to other properties. Impairment charges included in discontinued operations for 2011 included \$11.1 million related to the Discount Drug Mart portfolio, \$33.1 million related to malls, \$5.3 million related to single-tenant/triple-net-lease properties, \$36.6 million related to development projects and other non-core properties, and \$2.4 million related to the Homburg joint venture properties. Impairment charges included in

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discontinued operations for 2010 included \$ 26.8 million related to the Discount Drug Mart portfolio, \$12.6 million related to malls, \$0.1 million related to a single-tenant/triple-net-lease property, and \$0.3 million related to a development project.

Impairment charges were based on a comparison of the carrying values of the properties with either (1) actual sales prices less costs to sell for properties sold, or contract amounts for properties in the process of being sold, (2) estimated sales prices based on discounted cash flow analyses, if no contract amounts were as yet being negotiated, as discussed in more detail in Note 6 — “Fair Value Measurements”, (3) an “as is” appraisal with respect to the Philadelphia Redevelopment Property (see below), or (4) with respect to land parcels, estimated sales prices, less cost to sell, based on comparable sales completed in the selected market areas. Prior to the Company’s plan to dispose of properties reclassified to “held for sale/conveyance”, the Company performed recoverability analyses based on the estimated undiscounted cash flows that were expected to result from the real estate investments’ use and eventual disposal. The projected undiscounted cash flows of each property reflected that the carrying value of each real estate investment would be recovered. However, as a result of the properties’ meeting the “held for sale” criteria, such properties were written down to the lower of their carrying value and estimated fair values less costs to sell.

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2012 Transactions

During 2012, the Company completed the following transactions related to properties “held for sale/conveyance”:

<u>Property</u>	<u>Percent Sold</u>	<u>Location</u>	<u>Date Sold</u>	<u>Sales Price</u>	<u>Gain on Sale</u>
Discontinued operations:					
Hilliard Discount Drug Mart Plaza	100%	Hilliard, OH	2/7/2012	\$ 1,434,000	\$ —
First Merit Bank at Akron	100%	Akron, OH	2/23/2012	633,000	—
Grove City Discount Drug Mart Plaza	100%	Grove City, OH	3/12/2012	1,925,000	—
CVS at Naugatuck	50%	Naugatuck, CT	3/20/2012	3,350,000	457,000
CVS at Bradford	100%	Bradford, PA	3/30/2012	967,000	—
CVS at Celina	100%	Celina, OH	3/30/2012	1,449,000	—
CVS at Erie	100%	Erie, PA	3/30/2012	1,278,000	—
CVS at Portage Trail	100%	Akron, OH	3/30/2012	1,061,000	—
Rite Aid at Massillon	100%	Massillon, OH	3/30/2012	1,492,000	—
Kingston Plaza	100%	Kingston, NY	4/12/2012	1,182,000	293,000
Stadium Plaza	100%	East Lansing, MI	5/3/2012	5,400,000	—
Homburg Joint Venture (seven properties)	20%	Various	10/12/2012	23,642,000	3,929,000
The Point at Carlisle	100%	Carlisle, PA	10/15/2012	7,350,000	—
				<u>\$51,163,000</u>	<u>\$4,679,000</u>
Continuing operations:					
Blue Mountain Commons (land parcel)	100%	Harrisburg, PA	6/19/2012	\$ 102,000	\$ 79,000
Oregon Pike (land parcel)	100%	Lancaster, PA	6/28/2012	1,100,000	—
Trindle Springs (land parcel)	100%	Mechanicsburg, PA	7/20/2012	800,000	—
Aston (land parcel)	100%	Aston, PA	7/27/2012	1,365,000	402,000
Wyoming (land parcel)	100%	Wyoming, MI	11/16/2012	1,000,000	516,000
				<u>\$ 4,367,000</u>	<u>\$ 997,000</u>

On October 12, 2012, the Company concluded definitive agreements with Homburg Invest Inc. (“HII”) relating to the application of the buy/sell provisions of the joint venture

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agreements for each of the nine properties owned by the joint venture. In February 2011, HII had exercised its buy/sell option pursuant to the terms of the joint venture agreements for each of the nine properties owned by the venture. Richard Homburg, a director of the Company until October 2011, was the Chairman and Chief Executive Officer of HII at the time the joint venture was formed and the buy/sell option was exercised. The Company made elections to purchase HII's 80% interest in two of the nine properties, Meadows Marketplace, located in Hershey, Pennsylvania, and Fieldstone Marketplace, located in New Bedford, Massachusetts. The Company also determined not to meet HII's buy/sell offers for each of the remaining seven properties, which were thereupon treated as "held for sale/conveyance". Pursuant to the agreements, the Company acquired HII's 80% ownership in Meadows Marketplace, located in Hershey, Pennsylvania, and Fieldstone Marketplace, located in New Bedford, Massachusetts, for approximately \$27.3 million, including the assumption of related in-place mortgage financing of \$21.8 million, giving the Company a 100% ownership interest in these two properties. As the two properties were previously controlled and consolidated by the Company, the acquisitions of the 80% noncontrolling interests were recorded as a capital transaction. As such, the excess (\$7.6 million) of the carrying amount of the noncontrolling interests over amounts paid by the Company was recognized as an increase in the Company's shareholders' equity and a corresponding decrease in noncontrolling interests. In addition, the Company sold to HII its 20% ownership interest in the remaining seven joint venture properties for approximately \$23.6 million, including the assumption of related in-place mortgage financing of \$14.5 million. In connection with the transactions, the Company has recorded a gain of \$3.9 million relating to the sale of the seven properties. The Company's property management agreements for the sold properties terminated upon the closing of the sale.

In March 2012, the Company determined to sell Kingston Plaza, located in Kingston, New York, and subsequently sold the property in April 2012. In December 2012, the Company determined to sell East Chestnut, located in Lancaster, Pennsylvania, and subsequently sold the property in January 2013 for a sales price of approximately \$3.1 million, which approximated the property's carrying value. As such, the properties have been treated as "discontinued operations" for all periods presented. At December 31, 2012, the Company had 10 shopping-center properties that were held for sale/conveyance.

At December 31, 2012, the Company was in the process of negotiating with the respective lenders to four of its properties (Roosevelt II, Gahanna Discount Drug Mart Plaza, Westlake Discount Drug Mart Plaza and McCormick Place) to convey the properties either through short sale, foreclosure, or deed-in-lieu of foreclosure processes (mortgage loans payable and accrued interest aggregated \$23.7 million at that date). In connection with these conveyances, each applicable subsidiary borrower has stopped paying monthly mortgage payments and is currently in default on these non-recourse mortgages. At the time of such conveyances, the Company would recognize gains (an aggregate of approximately \$11.4 million as of December 31, 2012) based on the excess of the carrying amounts of the liabilities (mortgage principal and any accrued property-related expenses) over the carrying amounts of the properties.

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2011 Transactions

During 2011, the Company completed the following transactions related to properties “held for sale/conveyance”:

<u>Property</u>	<u>Percent Sold</u>	<u>Location</u>	<u>Date Sold</u>	<u>Sales Price</u>	<u>Gain on Sale</u>
<u>Discontinued operations:</u>					
Bergstrasse	100%	Ephrata, PA	2/14/2011	\$ 1,900,000	\$ 33,000
Ohio Properties (two)	100%	OH	3/30/2011	4,032,000	—
Fairfield Plaza	100%	Fairfield, CT	4/15/2011	10,840,000	470,000
CVS at Kingston	100%	Kingston, NY	11/14/2011	5,250,000	185,000
CVS at Kinderhook	100%	Kinderhook, NY	12/8/2011	4,000,000	196,000
Shoppes at Salem Run	100%	Fredericksburg, VA	12/12/2011	1,675,000	—
Virginia Center Commons	100%	Glen Allen, VA	12/21/2011	3,550,000	—
Ohio Properties (nine)	100%	OH	12/28/2011	<u>25,257,000</u>	<u>—</u>
				<u>\$56,504,000</u>	<u>\$884,000</u>

Philadelphia Redevelopment Property. The tenant at two properties, one owned in an unconsolidated joint venture and the other owned 100% by the Company (acquired in October 2010), vacated both premises in April 2011, at which time both the joint venture and the Company’s wholly-owned subsidiary had CMBS non-recourse first mortgage loans secured by the properties in the amounts of \$14.7 million due for payment in May 2011 and \$12.9 million due for payment in March 2012, respectively (\$250,000 of the \$12.9 million loan was guaranteed by the Company and paid in 2012). The Company reviewed its investment alternatives and determined that it would not be prudent to proceed with the development, sale or lease of the properties, or to advance the funds necessary to pay off the mortgages. Such determination was based on the uncertainty in obtaining favorable revisions to zoning, difficult existing deed restrictions, the uncertainty in achieving required economic returns given the extensive additional capital investments required, and uncertain current market conditions for sale or lease. Accordingly, during 2011, the Company wrote off its investment in the joint venture (\$8.0 million) and recorded an impairment charge related to the value of the 100%-owned property (\$9.1 million). No payments have been made on the 100%-owned property mortgage since May 2011, although the Company has been accruing interest expense and will pay certain property-related maintenance/security expenses as they become due. The Company is negotiating a

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conveyance of the property to the mortgagee by a deed-in-lieu of foreclosure process, whereby the Company's subsidiary would be released from all obligations, including any unpaid principal and interest. At the time of such conveyance, the Company would recognize a gain (approximately \$8.1 million as of December 31, 2012) based on the excess of the carrying amount of the liabilities (mortgage principal and any accrued property-related expenses) over the carrying amount of the property.

Ohio Properties. Impairment charges recorded in 2011 included additional charges of approximately \$10.5 million, principally representing adjustments to the net realizable values of certain of the properties treated as "held for sale/conveyance" as of December 31, 2010. The additional charges were based principally on changes in the structure of previously-negotiated transactions, whereby (1) the Company terminated a contract to swap three properties for certain land parcels in Ohio and instead entered into a new agreement to sell the properties for cash and assumption of existing debt, and (2) as a result of amending its contract for the sale of the 12 properties, the Company revalued the properties on an individual basis, and not a portfolio basis (the buyers in both cases being members of the group from which the Company originally acquired substantially all of its drug store/convenience centers).

Note 5. Investment in Cedar/RioCan Joint Venture

On October 10, 2012, the Company concluded definitive agreements with RioCan to exit the 20% Cedar / 80% RioCan joint venture that owned 22 retail properties. Pursuant to the agreements, the Company exchanged its 20% interest in the joint venture for (1) a 100% ownership interest in Franklin Village Plaza, located in Franklin, Massachusetts, at an agreed-upon value of approximately \$75.1 million, including the assumption of related in-place mortgage financing of approximately \$43.1 million, and (2) approximately \$41.6 million in cash, which was initially used to reduce the outstanding balance under the Company's Credit Facility. The Company continued to manage the properties acquired by RioCan subject to a management agreement which terminated effective January 31, 2013. In connection with the transactions, the Company has recorded a net gain of \$30.5 million relating to the exit from the joint venture.

The Company earned fees from the joint venture of approximately \$2.8 million, \$2.8 million and \$3.6 million for 2012, 2011, and 2010, respectively. Such fees are included in other revenues in the accompanying consolidated statements of operations.

In connection with the formation of the joint venture and the agreement to transfer properties which were reclassified as "held for sale", the Company recorded additional impairment charges of \$2.5 million in 2010, after having recorded an initial impairment charge of \$23.6 million in 2009. Such charges were based on a comparison of the arms-length negotiated transfer amounts set forth in the contract with the carrying values of the properties transferred. In 2010, the Company incurred fees to its investment advisor as it relates to the Cedar/RioCan joint venture of \$2.7 million.

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The following summarizes certain financial information related to the Company's investment in the Cedar/RioCan unconsolidated joint venture:

<u>Balance Sheet</u>	<u>December 31,</u> <u>2011</u>
Assets:	
Real estate, net	\$532,071,000
Cash and cash equivalents	12,797,000
Restricted cash	3,689,000
Rent and other receivables	2,419,000
Straight-line rents	2,743,000
Deferred charges, net	12,682,000
Other assets	5,549,000
Total assets	<u>\$571,950,000</u>
Liabilities and partners' capital:	
Mortgage loans payable	\$317,293,000
Due to the Company	1,203,000
Unamortized intangible lease liabilities	22,182,000
Other liabilities	8,248,000
Total liabilities	<u>348,926,000</u>
Preferred stock	97,000
Partners' capital	222,927,000
Total liabilities and partners' capital	<u>\$571,950,000</u>
The Company's share of partners' capital	<u>\$ 44,743,000</u>

On April 15, 2011, the joint venture acquired Northwoods Crossing, located in Taunton, Massachusetts. The purchase price of the property was approximately \$23.5 million, and the joint venture assumed a mortgage in the amount of \$14.4 million, which bore interest at 5.2% per annum and was scheduled to mature in February 2016.

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<u>Statements of Income</u>	<u>January 1, 2012 to October 10, 2012 (Sale Date)</u>	<u>Years ended December 31,</u>	
		<u>2011</u>	<u>2010</u>
Revenues	\$ 49,341,000	\$ 62,500,000	\$30,194,000
Property operating and other expenses	(4,373,000)	(6,631,000)	(2,636,000)
Management fees	(1,653,000)	(2,006,000)	(973,000)
Real estate taxes	(5,941,000)	(7,214,000)	(3,286,000)
Acquisition transaction costs	(964,000)	(917,000)	(7,119,000)
General and administrative	(174,000)	(308,000)	(622,000)
Depreciation and amortization	(15,769,000)	(20,616,000)	(9,523,000)
Interest and other non-operating expenses, net	(13,027,000)	(18,078,000)	(7,903,000)
Net income (loss)	<u>\$ 7,440,000</u>	<u>\$ 6,730,000</u>	<u>\$ (1,868,000)</u>
The Company's share of net income (loss)	<u>\$ 1,481,000</u>	<u>\$ 1,346,000</u>	<u>\$ (375,000)</u>

Note 6. Fair Value Measurements

The carrying amounts of cash and cash equivalents, restricted cash, rents and other receivables, certain other assets, and accounts payable and accrued liabilities approximate fair value. The fair value of the Company's investments and liabilities related to share-based compensation were determined to be a Level 1 within the valuation hierarchy, and were based on independent values provided by financial institutions.

The valuation of the liability for the Company's interest rate swaps, which is measured on a recurring basis, was determined to be a Level 2 within the valuation hierarchy, and was based on independent values provided by financial institutions. Such valuations were determined using widely accepted valuation techniques, including discounted cash flow analysis, on the expected cash flows of each derivative. The analysis reflects the contractual terms of the swaps, including the period to maturity, and uses observable market-based inputs, including interest rate curves ("significant other observable inputs"). The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default. The Company has concluded that, as of December 31, 2012, the fair value associated with the "significant unobservable inputs" relating

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to the Company's risk of non-performance was insignificant to the overall fair value of the interest rate swap agreements and, as a result, that the relevant inputs for purposes of calculating the fair value of the interest rate swap agreements, in their entirety, were based upon "significant other observable inputs".

Nonfinancial assets and liabilities measured at fair value in the consolidated financial statements consists of real estate held for sale/conveyance, which are measured on a nonrecurring basis, have been determined to be (1) a Level 2 within the valuation hierarchy, where applicable, based on the respective contracts of sale, adjusted for closing costs and expenses, or (2) a Level 3 within the valuation hierarchy, where applicable, based on estimated sales prices, adjusted for closing costs and expenses, determined by discounted cash flow analyses, direct capitalization analyses or a sales comparison approach if no contracts had been concluded. The discounted cash flow and direct capitalization analyses include all estimated cash inflows and outflows over a specific holding period and, where applicable, any estimated debt premiums. These cash flows were comprised of unobservable inputs which included forecasted rental revenues and expenses based upon existing in-place leases, market conditions and expectations for growth. Capitalization rates and discount rates utilized in these analyses were based upon observable rates that the Company believed to be within a reasonable range of current market rates for the respective properties. The sales comparison approach was utilized for certain land values and include comparable sales that were completed in the selected market areas. The comparable sales utilized in these analyses were based upon observable per acre rates that the Company believed to be within a reasonable range of current market rates for the respective properties.

The Company engaged third party valuation experts to assist with the preparation of certain of its valuations. Other valuations were prepared using internally-developed valuation models. In addition, these valuations are reviewed and approved, during each reporting period, by a diverse group of management, as deemed necessary, including personnel from acquisitions, accounting, finance, operations, development and leasing departments, and the valuations are updated as appropriate.

The following tables show the hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2012 and December 31, 2011, respectively:

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**Assets/Liabilities Measured at Fair Value on a
Recurring Basis**

Description	December 31, 2012			Total
	Level 1	Level 2	Level 3	
Investments related to share- based compensation liabilities (a)	\$ 450,000	\$ —	\$ —	\$ 450,000
Share-based compensation liabilities (b)	\$ 445,000	\$ —	\$ —	\$ 445,000
Interest rate swaps liability (b)	\$ —	\$ 1,577,000	\$ —	\$ 1,577,000

Description	December 31, 2011			Total
	Level 1	Level 2	Level 3	
Investments related to share- based compensation liabilities (a)	\$3,562,000	\$ —	\$ —	\$ 3,562,000
Share-based compensation liabilities (b)	\$3,562,000	\$ —	\$ —	\$ 3,562,000
Interest rate swaps liability (b)	\$ —	\$ 2,053,000	\$ —	\$ 2,053,000

- (a) Included in other assets in the accompanying consolidated balance sheets.
(b) Included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

The fair value of the Company's fixed rate mortgage loans payable was estimated using available market information and discounted cash flows analyses based on borrowing rates the Company believes it could obtain with similar terms and maturities. As of December 31, 2012 and December 31, 2011, the aggregate fair values of the Company's fixed rate mortgage loans payable, which were determined to be a Level 3 within the valuation hierarchy, were approximately \$565.4 million and \$526.7 million, respectively; the carrying values of such loans were \$544.8 million and \$523.0 million, respectively.

The following tables show the hierarchy for those assets measured at fair value on a non-recurring basis as of December 31, 2012 and December 31, 2011, respectively:

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Asset Description	Assets Measured at Fair Value on a Non-Recurring Basis			
	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Real estate held for sale/conveyance	\$ —	\$ 15,574,000	\$62,219,000	\$ 77,793,000

Asset Description	December 31, 2011			
	Level 1	Level 2	Level 3	Total
	Real estate held for sale/conveyance	\$ —	\$124,154,000	\$82,520,000

(a) Excludes \$5.0 million relating to properties subsequently treated as “held for sale/conveyance”.

The following table details the quantitative information regarding Level 3 assets measured at fair value on a non-recurring basis as of December 31, 2012:

Quantitative Information about Level 3 Fair Value Measurements				
	Fair value at December 31, 2012	Valuation Technique	Unobservable inputs	Range (weighted average)
Real estate held for sale/conveyance:				
Operating retail real estate (seven properties)	\$ 51,042,000	Discounted cash flow	Capitalization rates	7.8% to 12.0% (8.9%)
			Discount rates	9.2% to 12.8% (10.0%)
Land development property	9,587,000	Discounted cash flow	Capitalization rate	7.3%
			Discount rate	7.8%
Land (three parcels)	1,590,000	Sales comparison approach	Price per acre	\$25,000 to \$156,000 per acre (\$49,000 per acre)
	<u>\$ 62,219,000</u>			

Note 7. Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents in excess of insured amounts and tenant receivables. The Company places its cash and cash equivalents with high quality financial

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institutions. Management performs ongoing credit evaluations of its tenants and requires certain tenants to provide security deposits and/or suitable guarantees.

Giant Food Stores, LLC, Stop & Shop, Inc. and Martin's at Glen Allen, each of which is owned by Ahold N.V., a Netherlands corporation, accounted for an aggregate of approximately 15%, 14% and 14% of the Company's total revenues during 2012, 2011 and 2010, respectively (excluding properties treated as discontinued operations).

The Company's properties are located largely in the region straddling the Washington DC to Boston corridor, which exposes it to greater economic risks than if the properties it owned were located in a greater number of geographic regions (in particular, 31 of the Company's properties are located in Pennsylvania).

Note 8. Receivables

Receivables at December 31, 2012 and 2011 are comprised of the following:

	December 31,	
	2012	2011
Rents and other receivables, net	\$ 3,317,000	\$ 6,882,000
Straight-line rents	14,353,000	13,418,000
Other (a) (b)	619,000	5,360,000
	<u>\$18,289,000</u>	<u>\$25,660,000</u>

- (a) The 2011 amount includes \$4.3 million relating to a loan receivable which was written-off in 2012 (see Note 4- "Properties Held For Sale and Related Transactions").
(b) Includes \$0.6 million and \$1.2 million at December 31, 2012 and 2011, respectively, due from the Cedar/RioCan joint venture.

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Note 9. Other Assets

Other assets at December 31, 2012 and 2011 are comprised of the following:

	December 31,	
	2012	2011
Prepaid expenses	\$5,196,000	\$ 5,857,000
Leasehold improvements, furniture and fixtures	1,161,000	1,035,000
Investments related to share-based compensation	450,000	3,562,000
Property and other deposits	152,000	1,430,000
Other	351,000	474,000
	<u>\$7,310,000</u>	<u>\$12,358,000</u>

Note 10. Deferred Charges, Net

Deferred charges at December 31, 2012 and 2011 are net of accumulated amortization and are comprised of the following:

	December 31,	
	2012	2011
Lease origination costs (a)	\$15,158,000	\$14,217,000
Financing costs	5,686,000	6,224,000
Other	1,650,000	931,000
	<u>\$22,494,000</u>	<u>\$21,372,000</u>

- (a) Lease origination costs include the unamortized balance of intangible lease assets resulting from purchase accounting allocations of \$6.3 million (cost of \$17.8 million and accumulated amortization of \$11.5 million) and \$6.6 million (cost of \$16.7 million and accumulated amortization of \$10.1 million), respectively.

Deferred charges are amortized over the terms of the related agreements. Amortization expense related to deferred charges (including amortization of deferred financing costs included in non-operating income and expense) amounted to \$8.0 million, \$7.4 million and \$10.8 million for 2012, 2011 and 2010, respectively. The unamortized balances of deferred lease origination costs and deferred financing costs are net of accumulated amortization of \$18.5 million and \$8.0 million, respectively, and will be charged to future operations as follows (lease origination costs through 2033, and financing costs through 2029):

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	Lease origination costs	Financing costs
2013	\$ 2,804,000	\$2,285,000
2014	2,427,000	1,795,000
2015	2,059,000	640,000
2016	1,731,000	276,000
2017	1,225,000	145,000
Thereafter	4,912,000	545,000
	<u>\$15,158,000</u>	<u>\$5,686,000</u>

Note 11. Mortgage Loans Payable and Secured Revolving Credit Facilities

Secured debt is comprised of the following at December 31, 2012 and 2011:

Description	December 31, 2012			December 31, 2011 (a)		
	Balance outstanding	Weighted average	Interest rates Range	Balance outstanding	Weighted average	Interest rates Range
Fixed-rate mortgages (b)	\$544,799,000	5.6%	3.1%—7.5%	\$ 522,975,000	5.9%	5.0%—7.6%
Variable-rate mortgage	60,417,000	3.0%		63,768,000	3.0%	
Total property-specific mortgages	605,216,000	5.3%		586,743,000	5.5%	
Corporate Credit Facility:						
Revolving facility	81,000,000	2.8%		—	—	
Term loan	75,000,000	2.8%		—	—	
Stabilized property credit facility	—	—		74,035,000	5.5%	
Development property credit facility	—	—		92,282,000	2.5%	
	<u>\$761,216,000</u>	<u>4.8%</u>		<u>\$ 753,060,000</u>	<u>5.2%</u>	

Mortgage loans payable related to real estate held for sale/conveyance—discontinued operations (a)

Fixed-rate mortgages	\$ 23,258,000	6.1%	5.2%—6.5%	\$ 105,988,000	5.7%	5.0%—6.5%
Variable-rate mortgage	—	—		18,900,000	5.9%	
	<u>\$ 23,258,000</u>	<u>6.1%</u>		<u>\$ 124,888,000</u>	<u>5.7%</u>	

(a) Restated to reflect the reclassifications of properties subsequently treated as “held for sale/conveyance”.

(b) At December 31, 2012 and 2011, the Company had approximately \$31.4 million and \$32.1 million, respectively, of mortgage loans payable subject to interest rate swaps which converted LIBOR-based variable rates to fixed annual rates ranging from 5.2% to 6.5% per annum.

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Mortgage loans payable

Mortgage loan activity for 2012 and 2011 is summarized as follows:

	Years ended December 31,	
	2012	2011
Balance, beginning of year (a)	\$586,743,000	\$548,121,000
New mortgage borrowings and assumptions (b)	74,605,000	45,791,000
Repayments	(56,132,000)	(7,169,000)
Balance, end of the year	<u>\$605,216,000</u>	<u>\$586,743,000</u>

- (a) Restated to reflect the reclassifications of properties subsequently treated as “held for sale/conveyance”.
(b) Includes \$1.5 million increase relating to Franklin Village Plaza purchase accounting allocations.

Amended, Restated and Consolidated Credit Facility

On January 26, 2012, the Company entered into a \$300 million secured credit facility (the “Credit Facility”), which amended, restated and consolidated its \$185 million stabilized property revolving credit facility and its \$150 million development property credit facility. The two prior facilities were due to expire on January 31, 2012 and June 13, 2012, respectively.

The Credit Facility is comprised of a four-year \$75 million term loan and a three-year \$225 million revolving credit facility, subject to collateral in place. In connection with the Credit Facility, the Company paid participating lender fees and closing and transaction costs of approximately \$4.0 million. In addition, the Company wrote off \$2.6 million of unamortized fees associated with the terminated stabilized property and development credit facilities.

Borrowings under the Credit Facility are priced at LIBOR plus 250 bps (a weighted average rate of 2.8% per annum at December 31, 2012), and can range from LIBOR plus 200 to 300 bps based on the Company’s leverage ratio. Subject to customary conditions, the term loan and the revolving credit facility may both be extended for one additional year at the Company’s option. Under an accordion feature, the Credit Facility can be increased to \$500 million, subject to customary conditions, collateral in place and lending commitments from participating banks.

The Credit Facility contains financial covenants including, but not limited to, maximum debt leverage, minimum interest coverage, minimum fixed charge coverage, and minimum net worth. In addition, the Credit Facility contains restrictions including, but not limited to, limits on

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indebtedness, certain investments and distributions. The Company's failure to comply with these covenants or the occurrence of an event of default under the Credit Facility could result in the acceleration of the related debt. The Credit Facility is available to fund acquisitions, redevelopment and remaining development activities, capital expenditures, mortgage repayments, dividend distributions, working capital and other general corporate purposes.

As of December 31, 2012, the Company has \$81.0 million outstanding under the revolving credit portion of the Credit Facility, and had \$81.8 million available for additional borrowings as of that date.

Scheduled Principal Payments

Scheduled principal payments on mortgage loans payable and the Credit Facility at December 31, 2012, due on various dates from 2012 to 2029, are as follows:

2013	\$ 119,050,000 (a)
2014	107,786,000
2015	154,766,000(b)
2016	214,939,000(c)
2017	63,384,000
Thereafter	101,291,000
	<u>\$ 761,216,000</u>

- (a) Includes \$59.7 million subject to a one-year extension option.
- (b) Includes \$81.0 million subject to a one-year extension option.
- (c) Includes \$75.0 million subject to a one-year extension option.

Derivative financial instruments

At December 31, 2012, the Company had approximately \$31.4 million of mortgage loans payable subject to interest rate swaps. Such interest rate swaps converted LIBOR-based variable rates to fixed annual rates of 5.2% to 6.5% per annum. At that date, the Company had accrued liabilities of \$1.6 million (included in accounts payable and accrued liabilities on the consolidated balance sheet) relating to the fair value of interest rate swaps applicable to existing mortgage loans payable. Charges and/or credits relating to the changes in fair values of such interest rate swaps are made to accumulated other comprehensive (loss) income, noncontrolling interests (minority interests in consolidated joint ventures and limited partners' interest), or operations (included in interest expense), as appropriate.

The following is a summary of the derivative financial instruments held by the Company and the Cedar/RioCan joint venture at December 31, 2012 and December 31, 2011:

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Designation/ Cash flow	Derivative	Count	Notional values			Maturity dates	Balance sheet location	Fair value	
			December 31, 2012	Count	December 31, 2011			December 31, 2012	December 31, 2011
	Interest rate swaps						Accrued liabilities		
Qualifying	Consolidated	3	\$ 31,417,000	3	\$ 32,091,000	2013-2018	Consolidated	\$ 1,577,000	\$ 2,053,000
	Cedar/RioCan						Cedar/RioCan		
Qualifying	Joint Venture	—	\$ —	1	\$ 14,182,000	—	Joint Venture	\$ —	\$ 2,419,000

The following presents the effect of the Company's derivative financial instruments on the consolidated statements of operations and the consolidated statements of equity for 2012, 2011 and 2010, respectively:

Designation/ Cash flow	Derivative	Amount of gain (loss) recognized in other comprehensive income (loss) (effective portion)		
		Years ended December 31,		
		2012	2011	2010
Qualifying	Consolidated	\$ 836,000	\$ (398,000)	\$ (670,000)
	Cedar/RioCan			
Qualifying	Joint Venture	\$ 118,000	\$ (118,000)	\$ —

As of December 31, 2012, the Company believes it has no significant risk associated with non-performance of the financial institutions which are the counterparties to its derivative contracts. Additionally, based on the rates in effect as of December 31, 2012, if a counterparty were to default, the Company would receive a net interest benefit. On January 20, 2010, the Company paid approximately \$5.5 million to terminate interest rate swaps applicable to the financing for its development joint venture project in Stroudsburg, Pennsylvania.

Note 12. Intangible Lease Asset/Liability

Unamortized intangible lease liabilities that relate to below-market leases amounted to \$30.5 million and \$35.0 million at December 31, 2012 and December 31, 2011, respectively. Unamortized intangible lease assets that relate to above-market leases amounted to \$0.4 million and \$0.5 million at December 31, 2012 and December 31, 2011, respectively.

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The unamortized balance of intangible lease liabilities at December 31, 2012 is net of accumulated amortization of \$57.3 million, and will be credited to future operations through 2043 as follows:

2013	\$ 4,400,000
2014	4,281,000
2015	3,347,000
2016	2,667,000
2017	2,408,000
Thereafter	13,405,000
	<u>\$30,508,000</u>

Note 13. Commitments and Contingencies

The Company is a party to certain legal actions arising in the normal course of business. Management does not expect there to be adverse consequences from these actions that would be material to the Company's consolidated financial statements.

Under various federal, state, and local laws, ordinances, and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances, or petroleum product releases, at its properties. The owner may be liable to governmental entities or to third parties for property damage, and for investigation and cleanup costs incurred by such parties in connection with any contamination. Generally, the Company's tenants must comply with environmental laws and meet any remediation requirements. In addition, leases typically impose obligations on tenants to indemnify the Company from any compliance costs the Company may incur as a result of environmental conditions on the property caused by the tenant. However, if a lease does not require compliance, or if a tenant fails to or cannot comply, the Company could be forced to pay these costs. Management is unaware of any environmental matters that would have a material impact on the Company's consolidated financial statements.

The Company's executive offices are located at 44 South Bayles Avenue, Port Washington, New York, which it leased from a partnership owned in part by the Company's former Chairman and Chief Executive Officer. The terms of the lease, which will expire in February 2020, provide for future minimum rents as follows: 2013—\$509,000, 2014—\$523,000, 2015—\$537,000, 2016—\$552,000, 2017—\$567,000, and thereafter - \$1.3 million. In addition, several of the Company's properties and portions of several others are owned subject to operating leases which provide for annual payments subject, in certain cases, to cost-of-living or

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fair market value adjustments, as follows: 2013—\$1.0 million, 2014—\$1.0 million, 2015—\$1.0 million, 2016—\$1.0 million, 2017—\$0.5 million, and thereafter—\$8.7 million.

Rent expense was \$1.4 million, \$1.3 million and \$1.0 million for 2012, 2011 and 2010, respectively.

Note 14. Shareholders' Equity

The Company's 7.25% Series B Cumulative Redeemable Preferred Stock ("Series B Preferred Stock") has a liquidation preference of \$25.00 per share, has no stated maturity, is not convertible into any other security of the Company, and is redeemable at the Company's option beginning May 22, 2017 at a price of \$25.00 per share plus accrued and unpaid distributions. In May 2012, the Company concluded a public offering of 400,000 shares of Series B Preferred Stock at \$23.00 per share, and realized net proceeds, after offering expenses, of approximately \$8.6 million. On September 11, 2012, the Company concluded another public offering of 4,200,000 shares of its Series B Preferred Stock at \$23.94 per share, and realized net proceeds, after offering expenses, of approximately \$96.8 million. On September 14, 2012, the underwriters exercised their over-allotment option to the extent of 630,000 additional shares of the Company's Series B Preferred Stock, and the Company realized additional net proceeds of \$14.5 million. On February 12, 2013, the Company concluded a further public offering of 2,000,000 shares of its Series B Preferred Stock at \$24.58 per share, and realized net proceeds, after offering expenses, of approximately \$47.6 million. On February 12, 2013, the underwriters exercised their over-allotment option to the extent of 300,000 additional shares of the Company's Series B Preferred Stock, and the Company realized additional net proceeds of \$7.1 million.

In addition, on May 29, 2012 the Company entered into an at-the-market ("ATM") equity program in which the Company may, from time to time, offer and sell additional shares of its Series B Preferred Stock. During 2012, the Company sold approximately 199,000 shares under the ATM equity program at a weighted average price of \$23.23 per share, and realized net proceeds, after offering expenses, of approximately \$4.6 million. During the two months ended February 28, 2013, the Company sold approximately 220,000 shares under the ATM equity program at a weighted average price of \$24.52 per share, and realized net proceeds, after offering expenses, of approximately \$5.3 million.

The Company's 8.875% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") has no stated maturity, is not convertible into any other security of the Company, and is redeemable at the Company's option at a price of \$25.00 per share, plus accrued and unpaid distributions. During 2012, the Company redeemed and/or purchased on the open-market approximately 4,992,000 shares of its Series A Preferred Stock for a total cash outlay of \$126.4 million (including \$1.2 million of redemption costs and \$1.6 million of accrued dividends). On February 7, 2013, the Company announced that it would redeem, on or about

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March 11, 2013, the remaining 1,408,000 shares of its Series A Preferred Stock, requiring a total cash outlay of approximately \$35.4 million (including redemption costs and accrued dividends).

The Company has a Dividend Reinvestment and Direct Stock Purchase Plan (“DRIP”) which offers a convenient method for shareholders to invest cash dividends and/or make optional cash payments to purchase shares of the Company’s common stock. Such purchases are at 100% of market value (increased in March 2011 from 98% of market value). During 2012 and 2011, the Company issued 1,000 shares and 693,000 shares of its common stock, respectively, at average prices of \$4.96 per share and \$6.02 per share, respectively, and realized proceeds after expenses of approximately \$6,000 and \$4.1 million, respectively. At December 31, 2012, there remained 2,854,000 shares authorized under the DRIP.

During 2012, holders of approximately 1,134,000 OP Units (including 564,000 mezzanine OP Units) converted their holdings to shares of the Company’s common stock. In connection therewith, \$3.9 million of the carrying value of mezzanine OP Units was reclassified to equity.

In connection with an acquisition of a shopping center in 2002, the Operating Partnership issued warrants to purchase approximately 83,000 OP Units at an exercise price of \$13.50 per unit. Such warrants expired on May 31, 2012.

In connection with a litigation settlement in the Company’s favor in 2011, the Company received a cash payment of \$225,000. In addition, the defendants acquired 39,000 shares of the Company’s common stock at an average price of \$5.78 per share from which the Company realized additional net proceeds of \$225,000.

The following table provides a summary of dividends declared per share:

	Years ended December 31,		
	2012	2011	2010
Common stock	\$0.200	\$0.360	\$0.270
Cumulative Redeemable Preferred Stock:			
8.875% Series A	\$2.219	\$2.219	\$2.219
7.250% Series B	\$0.906	\$ —	\$ —

Dividends paid to common shareholders in 2012, 2011 and 2010 were \$14,402,000, \$24,705,000 and \$22,445,000, respectively. At December 31, 2012 and 2011, there were \$1.7 million and \$1.6 million of accrued preferred stock dividends.

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Note 15. Revenues

Rents for 2012, 2011 and 2010, respectively, are comprised of the following:

	Years ended December 31,		
	2012	2011	2010
Base rents	\$ 100,836,000	\$ 97,015,000	\$ 93,074,000
Percentage rent	1,074,000	1,058,000	906,000
Straight-line rents	986,000	1,199,000	1,550,000
Amortization of intangible lease liabilities	5,364,000	5,736,000	6,094,000
Total rents	<u>\$ 108,260,000</u>	<u>\$ 105,008,000</u>	<u>\$ 101,624,000</u>

Other revenues include lease termination income (approximately \$3.0 million) in 2012 and fees earned from the Cedar/RioCan joint venture. The management agreement relating to the Cedar/RioCan joint venture properties terminated on January 31, 2013 (see Note 5 – “Investment in Cedar/RioCan Joint Venture”).

Annual future base rents due to be received under non-cancelable operating leases in effect at December 31, 2012 are approximately as follows (excluding those base rents applicable to properties treated as discontinued operations):

2013	\$ 103,253,000
2014	94,053,000
2015	82,900,000
2016	71,206,000
2017	59,621,000
Thereafter	<u>304,714,000</u>
	<u>\$ 715,747,000</u>

Total future minimum rents do not include expense recoveries for real estate taxes and operating costs, or percentage rents based upon tenants’ sales volume. Such additional revenue amounts aggregated approximately \$27.4 million, \$27.9 million and \$26.5 million for 2012, 2011 and 2010, respectively. Such amounts do not include amortization of intangible lease liabilities.

Note 16. 401(k) Retirement Plan

The Company has a 401(k) retirement plan (the “Plan”), which permits all eligible employees to defer a portion of their compensation under the Code. Pursuant to the provisions of

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the Plan, the Company may make discretionary contributions on behalf of eligible employees. The Company made contributions to the Plan of \$253,000, \$275,000, and \$266,000 in 2012, 2011, and 2010, respectively.

Note 17. Management Transition Charges and Employee Termination Costs

The Company concluded separation arrangements and terminations of employment agreements relating primarily to employee headcount reductions in connection with the recent property dispositions and exit from the Cedar/RioCan joint venture. As a result, the Company recorded an approximate \$1.2 million charge in 2012 applicable thereto (included in management transition charges and employee termination costs in the consolidated statements of operations).

In June 2011, the Company's then Chairman of the Board, Chief Executive Officer and President retired, and the employment of the Company's then Chief Financial Officer ended. Pursuant to their respective employment and/or separation agreements, (1) they received an aggregate of approximately \$3.7 million in cash severance payments (including the cost of related payroll taxes and benefits), and (2) all of their unvested restricted share grants became vested and all related amounts were written off (an aggregate of approximately \$2.0 million – see Note 18 – “Share-Based Compensation”). Together with approximately \$1.2 million of other non-recurring costs, primarily professional fees and expenses related to the hiring of a new President/Chief Executive Officer and Chief Financial Officer, the Company recorded an aggregate charge of approximately \$6.9 million (included in management transition charges and employee termination costs in the consolidated statements of operations).

Note 18. Share-Based Compensation

The following tables set forth certain share-based compensation information for 2012, 2011, and 2010, respectively:

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	Years ended December 31,		
	2012	2011	2010
Share-based compensation:			
Expense relating to share grants (a)	\$3,903,000	\$5,665,000	\$3,260,000
Adjustments to reflect changes in market price of Company's common stock	10,000	(775,000)	(281,000)
Total charged to operations (b)	<u>\$3,913,000</u>	<u>\$4,890,000</u>	<u>\$2,979,000</u>
	Shares	Weighted average grant date value	
Unvested shares, December 31, 2011	1,106,000	\$ 5.31	
Restricted share grants (c)	2,948,000	4.68	
Vested during period	(436,000)	4.86	
Forfeitures/cancellations	(103,000)	5.73	
Unvested shares, December 31, 2012	<u>3,515,000</u>	<u>\$ 4.83</u>	

(a) Includes expense relating to equity and liability awards, as discussed below.

(b) The 2012 and 2011 amounts include \$362,000 and \$1,980,000 applicable to accelerated vestings, respectively, and are included in management transition charges and employee termination costs.

(c) Includes 2,250,000 shares granted to the Company's President and Chief Executive Officer in 2011, but not issued until 2012, as discussed below.

During 2012, in addition to shares issued to the Company's President and Chief Executive Officer, as discussed below, there were 698,000 other time-based restricted shares issued with a weighted average grant date fair value of \$4.75 per share. The 2012 Plan authorized 4.5 million shares to be available for grant and increased the maximum number of shares that may be granted to a participant in any calendar year to 500,000. At December 31, 2012, 2.4 million shares remained available for grants pursuant to the 2012 Plan and, at that date, there remained an aggregate of approximately \$12.1 million applicable to all grants and awards to be expensed over a weighted average period of 4.8 years.

The per share weighted average grant date fair values of shares granted during 2012, 2011, and 2010 were \$4.68, \$5.40 and \$6.54, respectively. The total fair values of shares vested during 2012, 2011, and 2010 were \$2,126,000, \$5,507,000, and \$996,000, respectively (the 2012 and 2011 amounts include \$585,000 and \$3,569,000, respectively, applicable to accelerated vestings).

In June 2011, in connection with the retirement of the Company's Chairman of the Board, Chief Executive Officer and President, and the end of the employment of the Company's Chief Financial Officer (see Note 17 – "Management Transition Charges and Employee

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Termination Costs”), all of their outstanding restricted share grants, consisting of time-based grants (284,000 shares) and performance-based grants (422,000 shares) became vested (an aggregate of 706,000 shares), and were expensed in full at the then market value of the shares (an aggregate of approximately \$2.0 million).

The Company’s new President and Chief Executive Officer was to receive restricted share grants totaling 2.5 million shares, one-half of which to be time-based, vesting upon the seventh anniversary of the date of grant (vesting on June 15, 2018), and the other half to be performance-based, to be earned if the total annual return on an investment in the Company’s common stock (“TSR”) is at least an average of 6.5% per year for the seven years ending June 15, 2018. An independent appraisal determined the value of the performance-based award to be \$4.39 per share compared to a market price at the date of grant of \$4.98 per share. As a result of a per-person limitation within the 2004 Plan, only 500,000 shares had been issued through June 2012, 1.5 million shares had been accounted for as an “equity award”, and 500,000 shares had been accounted for as a “liability award”. The values of the equity and liability awards were expensed on a straight-line basis over the vesting period. As specifically provided in the 2012 Plan, the 2.0 million shares previously designated as equity and liability awards were issued, with the liability award being reclassified to equity. Consistent with such awards to other recipients, dividends were paid on all the shares, including the equity and liability award shares, with the dividends paid on the equity award shares treated as distributions to common shareholders and included in the statement of equity, and the dividends paid on the liability award shares treated as compensation and included in the statement of operations. In addition, with respect to the liability award, adjustments to reflect changes in the fair value of the award (based on changes in the market price of the Company’s common stock) were also charged to operations.

In January 2011 and 2010, the Company issued shares of common stock as performance-based grants, with vesting to be based on the TSR over the three calendar years commencing with the dates of grant. Portions of each grant would vest (1) if the TSR on the Company’s common stock is equal to or greater than a specified average return per year (the “Absolute TSR”), and (2) if there is a positive comparison of the TSR on the Company’s common stock to the Company’s peer group (the “Relative TSR”). The Company obtained independent appraisals to determine the values of each category of the performance-based shares issued. The following table summarizes information relating to the performance-based grants:

Grant year	Shares granted	Grant date market price	Absolute TSR			Relative TSR	
			Portion of grant	Annual average return	Appraisal value	Portion of grant	Appraisal value
2011	275,000	\$ 6.54	50%	8%	\$ 4.40	50%	\$ 5.91
2010	227,000	\$ 6.70	50%	6%	\$ 4.56	50%	\$ 6.00

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After accelerated vestings in 2012 and 2011 of certain of these shares, there remained 100,000 shares and 73,000 shares, respectively, of the 2011 and 2010 performance-based awards. However, as the Company did not achieve either TSR measure for the three years ended December 31, 2012, none of the shares granted in 2010 vested. In addition to the performance-based grants, there were other time-based restricted shares issued of 436,000 shares and 279,000 shares for 2011 and 2010, respectively.

Note 19. Noncontrolling Interest – Limited Partners’ Mezzanine OP Units

	December 31,	
	2012	2011
Balance, beginning of year	\$ 4,616,000	\$ 7,053,000
Net income (loss)	9,000	(1,126,000)
Unrealized gain on change in fair value of cash flow hedges	—	(3,000)
Total other comprehensive loss	9,000	(1,129,000)
Distributions	(25,000)	(232,000)
Conversions of OP Units into shares of common stock	(3,897,000)	—
Reallocation adjustment of limited partners’ interest	(80,000)	(1,076,000)
Balance, end of year	<u>\$ 623,000</u>	<u>\$ 4,616,000</u>

Note 20. Earnings Per Share

Basic earnings per share (“EPS”) is calculated by dividing net income (loss) attributable to the Company’s common shareholders by the weighted average number of common shares outstanding for the period including participating securities (restricted shares issued pursuant to the Company’s share-based compensation program are considered participating securities, as such shares have non-forfeitable rights to receive dividends). Unvested restricted shares are not allocated net losses and/or any excess of dividends declared over net income, as such amounts are allocated entirely to the common shareholders. For 2012 and 2011, the Company had 3.3 million and 2.3 million, respectively, of weighted average unvested restricted shares outstanding. EPS for 2010 is calculated based on the data presented on the face of the consolidated statements of operations. The following table provides a reconciliation of the numerator and denominator of the EPS calculations for 2012 and 2011, respectively:

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	<u>Years ended December 31,</u>	
	<u>2012</u>	<u>2011</u>
<u>Numerator</u>		
Income (loss) from continuing operations	\$ 25,377,000	\$ (26,068,000)
Preferred stock dividends	(14,819,000)	(14,200,000)
Preferred stock redemption costs	(4,998,000)	—
Net loss attributable to noncontrolling interests	375,000	920,000
Net earnings allocated to unvested shares	(806,000)	(810,000)
Income (loss) from continuing operations attributable to common shareholders	5,129,000	(40,158,000)
Results from discontinued operations, net of noncontrolling interests	3,954,000	(78,413,000)
Net income (loss) attributable to common shareholders, basic and diluted	<u>\$ 9,083,000</u>	<u>\$ (118,571,000)</u>
<u>Denominator</u>		
Weighted average number of vested common shares outstanding	<u>68,017,000</u>	<u>66,387,000</u>
<u>Earnings (loss) per common share, basic and diluted</u>		
Continuing operations	\$ 0.07	\$ (0.61)
Discontinued operations	\$ 0.06	\$ (1.18)
	<u>\$ 0.13</u>	<u>\$ (1.79)</u>

Fully-diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into shares of common stock. The net loss attributable to noncontrolling interests of the Operating Partnership has been excluded from the numerator and the related OP Units have been excluded from the denominator for the purpose of calculating diluted EPS as there would have been no effect had such amounts been included. The weighted average number of OP Units outstanding for 2012, 2011 and 2010 were 459,000, 1,415,000 and 1,814,000, respectively. In addition, warrants for the purchase of OP Units, which expired on May 31, 2012, have been excluded as they were anti-dilutive for all applicable periods.

Cedar Realty Trust, Inc.
Notes to Consolidated Financial Statements
December 31, 2012

Note 21. Selected Quarterly Financial Data (unaudited)

Year	Quarter ended			
	March 31	June 30	September 30	December 31
2012				
Revenues as previously reported	\$ 34,477,000	\$ 36,990,000	\$ 33,579,000	\$35,813,000
Revenues from discontinued operations and reclassifications (a)	(93,000)	(92,000)	(91,000)	—
Revenues	<u>\$ 34,384,000</u>	<u>\$ 36,898,000</u>	<u>\$ 33,488,000</u>	<u>\$35,813,000</u>
Net (loss) income	\$ (4,868,000)	\$ 5,895,000	\$ 2,298,000	\$30,690,000
Net (loss) income attributable to common shareholders	\$ (9,340,000)	\$ 1,236,000	\$ (4,299,000)	\$22,292,000
Per common share (basic and diluted) (b)	\$ (0.14)	\$ 0.01	\$ (0.07)	\$ 0.31
2011				
Revenues as previously reported	\$ 34,510,000	\$ 32,578,000	\$ 33,418,000	\$34,334,000
Revenues from discontinued operations and reclassifications (a)	25,000	46,000	68,000	(151,000)
Revenues	<u>\$ 34,535,000</u>	<u>\$ 32,624,000</u>	<u>\$ 33,486,000</u>	<u>\$34,183,000</u>
Net loss	\$ (9,093,000)	\$ (24,729,000)	\$ (71,265,000)	\$ (3,427,000)
Net loss attributable to common shareholders	\$ (12,309,000)	\$ (27,668,000)	\$ (70,105,000)	\$ (7,679,000)
Per common share (basic and diluted) (b)	\$ (0.18)	\$ (0.41)	\$ (1.05)	\$ (0.12)

- (a) Represents revenues from discontinued operations which were included in revenues as previously reported.
(b) Differences between the sum of the four quarterly per share amounts and the annual per share amounts are attributable to the effect of the weighted average outstanding share calculations for the respective periods.

Note 22. Subsequent Events

In determining subsequent events, management reviewed all activity from January 1, 2013 through the date of filing this Annual Report on Form 10-K.

On January 25, 2013, the Company's Board of Directors declared a dividend of \$0.05 per share with respect to its common stock as well as an equal distribution per unit on its outstanding OP Units. At the same time, the Board declared dividends of \$0.5546875 per share with respect to the Company's 8.875% Series A Preferred Stock and \$0.453125 per share with

Cedar Realty Trust, Inc.
Notes to Consolidated Financial Statements
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respect to the Company's 7.25% Series B Preferred Stock. The distributions are payable on February 20, 2013 to shareholders of record on February 8, 2013.

See Note 14 – "Shareholders' Equity" for information relating to the sale, in February 2013, of additional shares of the Company's Series B Preferred Stock, and the announced redemption of the remaining shares of the Company's Series A Preferred Stock.

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Cedar Realty Trust, Inc.
Schedule III
Real Estate and Accumulated Depreciation
Year ended December 31, 2012

Property	State	Year acquired	Percent owned	Year built/ Year last renovated	Gross leasable area	Initial cost to the Company	
						Land	Building and Improvements
Academy Plaza	PA	2001	100%	1965/1998	137,662	\$ 2,406,000	\$ 9,623,000
Annie Land Plaza	VA	2006	100%	1999	42,500	809,000	4,015,000
Camp Hill	PA	2002	100%	1958/2005	470,117	4,460,000	17,857,000
Carbondale Plaza	PA	2004	100%	1972/2005	120,689	1,586,000	7,289,000
Carll's Corner	NJ	2007	100%	1960's-1999	129,582	3,034,000	15,293,000
Carmans Plaza	NY	2007	100%	1954/2007	194,082	8,539,000	35,804,000
Circle Plaza	PA	2007	100%	1979/1991	92,171	561,000	2,884,000
Coliseum Marketplace	VA	2005	100%	1987/2005	105,998	2,924,000	14,416,000
Colonial Commons	PA	2011	100%	2011	466,233	9,367,000	37,496,000
Crossroads II	PA	2008	60%	2009	133,717	15,383,000	—
Elmhurst Square	VA	2006	100%	1961-1983	66,250	1,371,000	5,994,000
Fairview Plaza	PA	2003	100%	1992	71,979	2,128,000	8,483,000
Fairview Commons	PA	2007	100%	1976/2003	42,314	858,000	3,568,000
Fieldstone Marketplace	MA	2005/2012	100%	1988/2003	193,970	5,229,000	21,440,000
Fort Washington	PA	2002	100%	2003	41,000	2,462,000	—
Franklin Village Plaza	MA	2004/2012	100%	1987/2005	304,347	14,270,000	61,915,000
General Booth Plaza	VA	2005	100%	1985	71,639	1,935,000	9,493,000
Gold Star Plaza	PA	2006	100%	1988	71,720	1,644,000	6,519,000
Golden Triangle	PA	2003	100%	1960/2005	202,943	2,320,000	9,713,000
Groton Shopping Center	CT	2007	100%	1969	117,186	3,070,000	12,320,000
Halifax Plaza	PA	2003	100%	1994	51,510	1,412,000	5,799,000
Hamburg Commons	PA	2004	100%	1988-1993	99,580	1,153,000	4,678,000
Huntingdon Plaza	PA	2004	100%	1972-2003	142,845	933,000	4,129,000
Jordan Lane	CT	2005	100%	1969/1991	177,504	4,291,000	21,176,000
Kempsville Crossing	VA	2005	100%	1985	94,477	2,207,000	11,000,000
Kenley Village	MD	2005	100%	1988	51,894	726,000	3,512,000
Kings Plaza	MA	2007	100%	1970/1994	168,243	2,413,000	12,604,000
Lake Raystown Plaza	PA	2004	100%	1995	142,559	2,231,000	6,735,000
Liberty Marketplace	PA	2005	100%	2003	68,200	2,665,000	12,639,000
Martins's at Glen Allen	VA	2005	100%	2000	63,328	6,769,000	683,000
Meadows Marketplace	PA	2004/2012	100%	2005	91,518	1,914,000	—
Mechanicsburg Giant	PA	2005	100%	2003	51,500	2,709,000	12,159,000
Metro Square	MD	2008	100%	1999	71,896	3,121,000	12,341,000
Newport Plaza	PA	2003	100%	1996	64,489	1,721,000	7,758,000
New London Mall	CT	2009	40%	1967/1997	259,293	14,891,000	24,967,000
Northside Commons	PA	2008	100%	2009	64,710	3,332,000	—

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Cedar Realty Trust, Inc.
Schedule III
Real Estate and Accumulated Depreciation
Year ended December 31, 2012

(continued)

Property	Subsequent cost capitalized	Gross amount at which carried at December 31, 2012			Accumulated depreciation (4)	Amount of Encumbrance
		Land	Building and improvements	Total		
Academy Plaza	\$ 3,142,000	\$ 2,406,000	\$ 12,765,000	\$ 15,171,000	\$ 3,317,000	\$ 8,633,000
Annie Land Plaza	139,000	809,000	4,154,000	4,963,000	909,000	(3)
Camp Hill	43,595,000	4,424,000	61,488,000	65,912,000	12,980,000	64,250,000
Carbondale Plaza	5,418,000	1,586,000	12,707,000	14,293,000	3,164,000	4,770,000
Carll's Corner	(1,261,000)	2,898,000	14,168,000	17,066,000	2,640,000	(3)
Carmans Plaza	(421,000)	8,421,000	35,501,000	43,922,000	6,300,000	33,414,000
Circle Plaza	65,000	546,000	2,964,000	3,510,000	432,000	(3)
Coliseum Marketplace	5,290,000	3,586,000	19,044,000	22,630,000	4,296,000	11,429,000
Crossroads II	28,598,000	17,671,000	26,310,000	43,981,000	2,170,000	(3)
Colonial Commons	918,000	9,367,000	38,414,000	47,781,000	3,533,000	27,272,000
Elmhurst Square	390,000	1,371,000	6,384,000	7,755,000	1,442,000	3,810,000
Fairview Plaza	308,000	2,129,000	8,790,000	10,919,000	2,360,000	—
Fairview Commons	2,000	858,000	3,570,000	4,428,000	785,000	(3)
Fieldstone Marketplace	595,000	5,167,000	22,097,000	27,264,000	5,152,000	17,506,000
Fort Washington	5,176,000	2,462,000	5,176,000	7,638,000	1,366,000	5,396,000
Franklin Village Plaza	—	14,270,000	61,915,000	76,185,000	620,000	44,408,000
General Booth Plaza	283,000	1,935,000	9,776,000	11,711,000	2,777,000	4,992,000
Gold Star Plaza	313,000	1,644,000	6,832,000	8,476,000	1,588,000	1,787,000
Golden Triangle	9,900,000	2,320,000	19,613,000	21,933,000	5,649,000	20,052,000
Groton Shopping Center	384,000	3,073,000	12,701,000	15,774,000	2,634,000	11,293,000
Halifax Plaza	243,000	1,347,000	6,107,000	7,454,000	1,533,000	—
Hamburg Commons	5,402,000	1,153,000	10,080,000	11,233,000	2,044,000	4,928,000
Huntingdon Plaza	1,896,000	933,000	6,025,000	6,958,000	1,192,000	(3)
Jordan Lane	1,107,000	4,291,000	22,283,000	26,574,000	5,241,000	12,384,000
Kempsville Crossing	142,000	2,207,000	11,142,000	13,349,000	3,382,000	5,629,000
Kenley Village	204,000	726,000	3,716,000	4,442,000	1,196,000	(3)
Kings Plaza	348,000	2,408,000	12,957,000	15,365,000	2,551,000	7,389,000
Lake Raystown Plaza	6,845,000	2,231,000	13,580,000	15,811,000	3,333,000	(3)
Liberty Marketplace	294,000	2,695,000	12,903,000	15,598,000	2,824,000	8,559,000
Martins's at Glen Allen	3,000	5,367,000	2,088,000	7,455,000	551,000	(3)
Meadows Marketplace	11,404,000	1,914,000	11,404,000	13,318,000	1,981,000	9,823,000
Mechanicsburg Giant	—	2,709,000	12,159,000	14,868,000	2,470,000	8,759,000
Metro Square	(301,000)	5,250,000	9,911,000	15,161,000	1,345,000	8,520,000
Newport Plaza	322,000	1,682,000	8,119,000	9,801,000	1,923,000	—
New London Mall	1,110,000	8,807,000	32,161,000	40,968,000	5,859,000	26,689,000
Northside Commons	10,000,000	3,378,000	9,954,000	13,332,000	807,000	(3)

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Cedar Realty Trust, Inc.
Schedule III
Real Estate and Accumulated Depreciation
Year ended December 31, 2012

(continued)

Property	State	Year acquired	Percent owned	Year built/ Year last renovated	Gross leasable area	Initial cost to the Company	
						Land	Building and Improvements
Norwood Shopping Center	MA	2006	100%	1965/2006	102,459	\$ 1,874,000	\$ 8,453,000
Oak Ridge	VA	2006	100%	2000	38,700	960,000	4,254,000
Oakland Commons	CT	2007	100%	1962/1995	90,100	2,504,000	15,662,000
Oakland Mills	MD	2005	100%	1960's/2004	58,224	1,611,000	6,292,000
Palmyra Shopping Center	PA	2005	100%	1960/1995	111,051	1,488,000	6,566,000
Pine Grove Plaza	NJ	2003	100%	2001/2002	86,089	2,010,000	6,489,000
Port Richmond Village	PA	2001	100%	1988	154,908	2,942,000	11,769,000
Price Chopper Plaza	MA	2007	100%	1960's-2004	101,824	3,551,000	18,412,000
River View Plaza	PA	2003	100%	1991/1998	226,786	9,718,000	40,356,000
San Souci Plaza	MD	2009	40%	1985 - 1997	264,134	14,849,000	18,445,000
Smithfield Plaza	VA	2005/2008	100%	1987/1996	134,664	2,947,000	12,737,000
South Philadelphia	PA	2003	100%	1950/2003	283,415	8,222,000	36,314,000
Southington Shopping Center	CT	2003	100%	1972/2000	155,842	—	11,834,000
St. James Square	MD	2005	100%	2000	39,903	688,000	3,838,000
Suffolk Plaza	VA	2005	100%	1984	67,216	1,402,000	7,236,000
Swede Square	PA	2003	100%	1980/2004	100,816	2,268,000	6,232,000
The Brickyard	CT	2004	100%	1990	249,200	7,632,000	29,308,000
The Commons	PA	2004	100%	2003	203,426	3,098,000	14,047,000
The Point	PA	2000	100%	1972/2001	268,037	2,700,000	10,800,000
The Shops at Suffolk Downs	MA	2005	100%	2005	121,251	7,580,000	11,089,000
Timpany Plaza	MA	2007	100%	1970's-1989	183,775	3,412,000	19,240,000
Townfair Center	PA	2004	100%	2002	218,662	3,022,000	13,786,000
Trexler Mall	PA	2005	100%	1973/2004	339,363	6,932,000	32,815,000
Trexlertown Plaza	PA	2006	100%	1990/2005	316,143	13,349,000	23,867,000
Ukrop's at Fredericksburg	VA	2005	100%	1997	63,000	3,213,000	12,758,000
Valley Plaza	MD	2003	100%	1975/1994	190,939	1,950,000	7,766,000
Virginia Little Creek	VA	2005	100%	1996/2001	69,620	1,650,000	8,350,000
Washington Center Shoppes	NJ	2001	100%	1979/1995	157,394	2,061,000	7,314,000
West Bridgewater Plaza	MA	2007	100%	1970/2007	133,039	2,823,000	14,901,000
Upland Square	PA	2007	60%	2009	391,578	28,187,000	—
Yorktowne Plaza	MD	2007	100%	1970/2000	158,982	5,940,000	25,505,000
Total Consolidated Portfolio					<u>9,820,185</u>	<u>\$287,427,000</u>	<u>\$ 870,737,000</u>

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Cedar Realty Trust, Inc.
Schedule III
Real Estate and Accumulated Depreciation
Year ended December 31, 2012

(continued)

Property	Subsequent cost capitalized	Gross amount at which carried at December 31, 2012			Accumulated depreciation (4)	Amount of Encumbrance
		Land	Building and improvements	Total		
Norwood Shopping Center	\$ 530,000	\$ 1,874,000	\$ 8,983,000	\$ 10,857,000	\$ 2,149,000	(3)
Oak Ridge	28,000	960,000	4,282,000	5,242,000	824,000	3,293,000
Oakland Commons	(498,000)	2,504,000	15,164,000	17,668,000	2,977,000	(3)
Oakland Mills	39,000	1,611,000	6,331,000	7,942,000	1,694,000	4,657,000
Palmyra Shopping Center	1,219,000	1,488,000	7,785,000	9,273,000	1,875,000	(3)
Pine Grove Plaza	139,000	2,010,000	6,628,000	8,638,000	1,612,000	5,455,000
Port Richmond Village	932,000	2,843,000	12,800,000	15,643,000	3,711,000	13,867,000
Price Chopper Plaza	(484,000)	4,082,000	17,397,000	21,479,000	2,914,000	(3)
River View Plaza	4,319,000	9,718,000	44,675,000	54,393,000	11,044,000	(3)
San Souci Plaza	1,608,000	13,406,000	21,496,000	34,902,000	5,526,000	27,200,000
Smithfield Plaza	415,000	2,919,000	13,180,000	16,099,000	2,832,000	9,959,000
South Philadelphia	2,656,000	8,222,000	38,970,000	47,192,000	11,346,000	(3)
Southington Shopping Center	174,000	—	12,008,000	12,008,000	2,789,000	5,462,000
St. James Square	661,000	688,000	4,499,000	5,187,000	1,339,000	(3)
Suffolk Plaza	—	1,402,000	7,236,000	8,638,000	2,252,000	4,215,000
Swede Square	5,633,000	2,272,000	11,861,000	14,133,000	3,508,000	10,311,000
The Brickyard	8,887,000	7,648,000	38,179,000	45,827,000	19,524,000	(3)
The Commons	2,878,000	3,098,000	16,925,000	20,023,000	4,389,000	(3)
The Point	14,530,000	2,996,000	25,034,000	28,030,000	6,549,000	29,960,000
The Shops at Suffolk Downs	8,655,000	7,580,000	19,744,000	27,324,000	3,152,000	(3)
Timpany Plaza	740,000	3,368,000	20,024,000	23,392,000	3,480,000	7,793,000
Townfair Center	7,515,000	3,022,000	21,301,000	24,323,000	3,690,000	16,048,000
Trexler Mall	5,794,000	6,932,000	38,609,000	45,541,000	7,779,000	20,160,000
Trexlertown Plaza	22,317,000	13,351,000	46,182,000	59,533,000	4,930,000	(3)
Ukrop's at Fredericksburg	—	3,213,000	12,758,000	15,971,000	2,640,000	(3)
Valley Plaza	946,000	1,950,000	8,712,000	10,662,000	2,168,000	(3)
Virginia Little Creek	(10,000)	1,639,000	8,351,000	9,990,000	2,390,000	4,870,000
Washington Center Shoppes	3,780,000	2,000,000	11,155,000	13,155,000	3,392,000	(3)
West Bridgewater Plaza	(829,000)	2,600,000	14,295,000	16,895,000	2,495,000	10,535,000
Upland Square	67,602,000	27,112,000	68,677,000	95,789,000	5,344,000	60,417,000
Yorktowne Plaza	301,000	5,834,000	25,912,000	31,746,000	5,091,000	19,322,000
Total Consolidated Portfolio	\$ 302,330,000	\$ 282,383,000	\$ 1,178,111,000	\$ 1,460,494,000	\$ 237,751,000	\$ 605,216,000

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Cedar Realty Trust, Inc.
Schedule III
Real Estate and Accumulated Depreciation
Year ended December 31, 2012

(continued)

The changes in real estate and accumulated depreciation for the three years ended December 31, 2012 are as follows (1):

<u>Cost</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Balance, beginning of the year	\$ 1,363,936,000	\$ 1,283,287,000	\$ 1,266,566,000
Properties acquired	76,185,000	46,863,000	—
Improvements and betterments	20,472,000	33,954,000	17,631,000
Write-off fully-depreciated assets	(99,000)	(168,000)	(910,000)
Balance, end of the year (2)	<u>\$ 1,460,494,000</u>	<u>\$ 1,363,936,000</u>	<u>\$ 1,283,287,000</u>
<u>Accumulated depreciation</u>			
Balance, beginning of the year	\$ 196,661,000	\$ 156,917,000	\$ 125,689,000
Depreciation expense	41,189,000	39,912,000	32,138,000
Write-off fully-depreciated assets	(99,000)	(168,000)	(910,000)
Balance, end of the year	<u>\$ 237,751,000</u>	<u>\$ 196,661,000</u>	<u>\$ 156,917,000</u>
Net book value	<u>\$ 1,222,743,000</u>	<u>\$ 1,167,275,000</u>	<u>\$ 1,126,370,000</u>

- (1) Restated to reflect the reclassifications of properties to “real estate held for sale/conveyance” during 2012.
- (2) At December 31, 2012, the aggregate cost for federal income tax purposes was approximately \$3.1 million less than the Company’s recorded values.
- (3) At December 31, 2012, the total net book value of properties pledged as collateral under the Company’s Credit Facility was \$369.6 million (in addition, net book value of \$11.6 million relating to properties treated as “real estate held for sale/conveyance” was also pledged as collateral under the Company’s Credit Facility); the total amount outstanding under the Credit Facility was \$156,000,000.
- (4) Depreciation is provided over the estimated useful lives of the buildings and improvements, which range from 3 to 40 years.

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

None

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures and internal controls designed to ensure that information required to be disclosed in its filings under the Securities Exchange Act of 1934 is reported within the time periods specified in the rules and regulations of the Securities and Exchange Commission (“SEC”). In this regard, the Company has formed a Disclosure Committee currently comprised of several of the Company’s executive officers as well as certain other employees with knowledge of information that may be considered in the SEC reporting process. The Committee has responsibility for the development and assessment of the financial and non-financial information to be included in the reports filed with the SEC, and assists the Company’s Chief Executive Officer and Chief Financial Officer in connection with their certifications contained in the Company’s SEC filings. The Committee meets regularly and reports to the Audit Committee on a quarterly or more frequent basis. The Company’s principal executive and financial officers have evaluated its disclosure controls and procedures as of December 31, 2012, and have determined that such disclosure controls and procedures are effective.

There have been no changes in the internal controls over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, these internal controls over financial reporting during the last quarter of 2012.

Management Report on Internal Control Over Financial Reporting

The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control system was designed to provide reasonable assurance to the Company’s management and Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company’s management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2012. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in “Internal Control – Integrated Framework”. Based on such assessment, management believes that, as of December 31, 2012, the Company’s internal control over financial reporting is effective based on those criteria.

Ernst & Young LLP, the Company’s independent registered public accounting firm, has issued an opinion on the Company’s internal control over financial reporting, which appears elsewhere in this report.

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Report of Independent Registered Public Accounting Firm

**The Board of Directors and Shareholders of
Cedar Realty Trust, Inc.**

We have audited Cedar Realty Trust, Inc.'s (the "Company") internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control —Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Cedar Realty Trust, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Item 9A. Controls and Procedures —"Management Report on Internal Control Over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Cedar Realty Trust, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2012 consolidated financial statements of Cedar Realty Trust, Inc. and our report dated March 7, 2013 expressed an unqualified opinion thereon.

New York, New York
March 7, 2013

/s/ ERNST & YOUNG LLP

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Part III.

Item 10. Directors, Executive Officers and Corporate Governance

This item is incorporated by reference to the definitive proxy statement for the 2013 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

Item 11. Executive Compensation

This item is incorporated by reference to the definitive proxy statement for the 2013 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

This item is incorporated by reference to the definitive proxy statement for the 2013 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

Item 13. Certain Relationships and Related Transactions and Director Independence

This item is incorporated by reference to the definitive proxy statement for the 2013 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

Item 14. Principal Accountant Fees and Services

This item is incorporated by reference to the definitive proxy statement for the 2013 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

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Part IV

Item 15. Exhibits and Financial Statement Schedules

- (a) 1. Financial Statements
The response to this portion of Item 15 is included in Item 8 of this report.
2. Financial Statement Schedules
The response to this portion of Item 15 is included in Item 8 of this report.
3. Exhibits

<u>Item</u>	<u>Title or Description</u>
3.1	Articles of Incorporation of Cedar Realty Trust, Inc., including all amendments and articles supplementary previously filed.
3.2	By-laws of Cedar Realty Trust, Inc., including all amendments previously filed, incorporated by reference to Exhibit 3.2 of Form 10-K for the year ended December 31, 2011.
3.3.a	Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.4 of the Registration Statement on Form S-11 filed on August 20, 2003, as amended.
3.3.b	Amendment No. 1 to Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.5 of the Registration Statement on Form S-11 filed on August 20, 2003, as amended.
3.3.c	Amendment No. 2 to Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.3.c of Form 10-K for the year ended December 31, 2004.
3.3.d	Amendment No. 3 to Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.3.d of Form 10-K for the year ended December 31, 2006.
3.3.e	Amendment No. 4 to Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.2 of Form 10-Q for the quarterly period ended September 30, 2010.
3.3.f	Amendment No. 5 to Agreement of Limited Partnership of Cedar Realty Trust Partnership, L.P., incorporated by reference to Exhibit 3.2 of Form 8-K filed on May 16, 2012.
3.3.g	Amendment No. 6 to Agreement of Limited Partnership of Cedar Realty Trust Partnership, L.P., incorporated by reference to Exhibit 3.2 of Form 8-K filed on May 29, 2012.
3.3.h	Amendment No. 7 to Agreement of Limited Partnership of Cedar Realty Trust Partnership, L.P., incorporated by reference to Exhibit 3.2 of Form 8-K filed on September 14, 2012.

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- 3.3.i Amendment No. 8 to Agreement of Limited Partnership of Cedar Realty Trust Partnership, L.P., incorporated by reference to Exhibit 3.3 of Form 8-K filed on November 21, 2012.
- 3.3.j Amendment No. 9 to Agreement of Limited Partnership of Cedar Realty Trust Partnership, L.P., incorporated by reference to Exhibit 3.2 of Form 8-K filed on February 11, 2013.
- 10.1.a* Cedar Shopping Centers, Inc. Senior Executive Deferred Compensation Plan, effective as of October 29, 2003, incorporated by reference to Exhibit 10.6.a of Form 10-K for the year ended December 31, 2004.
- 10.1.b* Amendment No. 1 to the Cedar Shopping Centers, Inc. Senior Executive Deferred Compensation Plan, effective as of October 29, 2003, incorporated by reference to Exhibit 10.6.b of Form 10-K for the year ended December 31, 2004.
- 10.1.c* Amendment No. 2 to the Cedar Shopping Centers, Inc. Senior Executive Deferred Compensation Plan, effective as of August 9, 2004, incorporated by reference to Exhibit 10.6.c of Form 10-K for the year ended December 31, 2004.
- 10.1.d* Amendment No. 3 to the Cedar Shopping Centers, Inc. Senior Executive Deferred Compensation Plan, effective as of December 19, 2005, incorporated by reference to Exhibit 10.2 of Form 8-K filed on December 22, 2005.
- 10.1.e* Amendment No. 4 to the Cedar Shopping Centers, Inc. Senior Executive Deferred Compensation Plan, effective as of December 21, 2006, incorporated by reference to Exhibit 10.1.e of Form 10-K for the year ended December 31, 2006.
- 10.1.f* Amendment No. 5 to the Cedar Shopping Centers, Inc. Senior Executive Deferred Compensation Plan, effective as of December 11, 2007, incorporated by reference to Exhibit 10.1.f of Form 10-K for the year ended December 31, 2007.
- 10.1.g* Amendment No. 6 to the Cedar Realty Trust, Inc. Senior Executive Deferred Compensation Plan, effective as of December 14, 2011, incorporated by reference to Exhibit 10.1.g of Form 10-K for the year ended December 31, 2011.
- 10.2.a* 2005 Cedar Shopping Centers, Inc. Deferred Compensation Plan, incorporated by reference to Exhibit 10.1 of Form 8-K filed on December 22, 2005.
- 10.2.b* Amendment No. 1 to the 2005 Cedar Shopping Centers, Inc. Deferred Compensation Plan, effective as of December 21, 2006, incorporated by reference to Exhibit 10.2.b of Form 10-K for the year ended December 31, 2006.
- 10.2.c* Amendment No. 2 to the 2005 Cedar Shopping Centers, Inc. Deferred Compensation Plan, effective as of December 11, 2007, incorporated by reference to Exhibit 10.2.c of Form 10-K for the year ended December 31, 2007.
- 10.2.d* Amendment No. 3 to the 2005 Cedar Shopping Centers, Inc. Deferred Compensation Plan, effective as of December 16, 2008, incorporated by reference to Exhibit 10.2.d of Form 10-K for the year ended December 31, 2008.
- 10.2.e* Amendment No. 4 to the 2005 Cedar Shopping Centers, Inc. Deferred Compensation Plan, effective as of June 30, 2011, incorporated by reference to Exhibit 10.4 of Form 10-Q for the quarterly period ended September 30, 2011.
- 10.2.f* Amendment No. 5 to the 2005 Cedar Realty Trust, Inc. Deferred Compensation Plan, effective as of December 14, 2011, incorporated by reference to Exhibit 10.2.f of Form 10-K for the year ended December 31, 2011.
- 10.2.g* Amendment No. 6 to the 2005 Cedar Realty, Inc. Deferred Compensation Plan, effective as of December 12, 2012.

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10.3.a*	Employment Agreement between Cedar Shopping Centers, Inc. and Philip R. Mays, dated as of May 24, 2011, incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarterly period ended June 30, 2011.
10.3.b*	Employment Agreement between Cedar Shopping Centers, Inc. and Bruce J. Schanzer, dated as of May 31, 2011, incorporated by reference to Exhibit 10.2 of Form 10-Q for the quarterly period ended June 30, 2011.
10.3.c*	Second Amended And Restated Employment Agreement between Cedar Realty Trust, Inc. and Brenda J. Walker, dated as of October 19, 2012.
10.4	Amended, Restated and Consolidated Loan Agreement (the "Loan Agreement") by and among Cedar Realty Trust Partnership, L.P., KeyBank, National Association, the other lending institutions which are or may become parties to the Loan Agreement (the "Lenders"), and KeyBank National Association (as Administrative Agent), dated as of January 26, 2012, incorporated by reference to Exhibit 10.4 of Form 10-K for the year ended December 31, 2011.
10.5	Voting Agreement dated February 13, 2008 among Cedar Shopping Centers, Inc., Inland American Real Estate Trust, Inc., Inland Investment Advisors, Inc. Inland Real Estate Investment Corporation and The Inland Group, Inc., incorporated by reference to Exhibit 10.11 of Form 10-K for the year ended December 31, 2007.
10.6.a	Securities Purchase Agreement dated as of October 26, 2009, by and among Cedar Shopping Centers, Inc., Cedar Shopping Centers Partnership L.P., RioCan Holdings USA Inc. and RioCan Real Estate Investment Trust, incorporated by reference to Exhibit 10.6.a of Form 10-Q for the quarterly period ended September 30, 2010.
10.6.a.i	Amendment to Securities Purchase Agreement dated February 5, 2010, incorporated by reference to Exhibit 10.6.b of Form 10-Q for the quarterly period ended September 30, 2010.
10.6.a.ii	Amendment to Securities Purchase Agreement dated February 26, 2010, incorporated by reference to Exhibit 10.6.c of Form 10-Q for the quarterly period ended September 30, 2010.
10.6.b	Agreement regarding purchase of Partnership Interests dated October 26, 2009 between Cedar Shopping Centers, Inc. and RioCan Holdings USA Inc., incorporated by reference to Exhibit 10.7 of Form 10-Q for the quarterly period ended September 30, 2010.
10.6.c	Agreement Regarding Purchase of Partnership Interests dated September 6, 2012, incorporated by reference to Exhibit 1.1 of Form 8-K filed on September 7, 2012.
10.6.d	Agreement Regarding Purchase Of Interests (Franklin) By And Between RC Cedar REIT Property Subsidiary LP And Cedar Realty Trust Partnership, L.P. And RC Cedar REIT LP And RioCan Holdings USA Inc., dated as of September 6, 2012, incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarterly period ended September 30, 2012.
21.1	List of Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
31.1	Section 302 Chief Executive Officer Certification
31.2	Section 302 Chief Financial Officer Certification
32.1	Section 906 Chief Executive Officer Certification
32.2	Section 906 Chief Financial Officer Certification
101.INS	XBRL Instance Document

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101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Management contracts or compensatory plans required to be filed pursuant to Rule 601 of Regulation S-K.

(b) Exhibits

The response to this portion of Item 15 is included in Item 15(a) (3) above.

(c) The following financial statement schedules are filed as part of the report:

The response to this portion of Item 15 is included in Item 15(a) (2) above.

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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 REALTY TRUST, INC.

/s/ BRUCE J. SCHANZER

Bruce J. Schanzer
President
(principal executive officer)

/s/ PHILIP R. MAYS

Philip R. Mays
Chief Financial Officer
(principal financial officer)

/s/ GASPARE J. SAITTA, II

Gaspare J. Saitta, II
Chief Accounting Officer
(principal accounting officer)

March 7, 2013

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

/s/ JAMES J. BURNS

James J. Burns
Director

/s/ PAMELA N. HOOTKIN

Pamela N. Hootkin
Director

/s/ PAUL G. KIRK, JR

Paul G. Kirk, Jr.
Director

/s/ EVERETT B. MILLER, III

Everett B. Miller, III
Director

/s/ BRUCE J. SCHANZER

Bruce J. Schanzer
Director

/s/ ROGER M. WIDMANN

Roger M. Widmann
Director

March 7, 2013

**ARTICLES OF INCORPORATION
OF
CEDAR INCOME FUND, LTD.**

I, THE UNDERSIGNED, JAMES T. CUNNINGHAM, whose post-office address is c/o Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038, being at least eighteen years of age, do hereby form a corporation, under and by virtue of the General Laws of the State of Maryland authorizing the formation of corporations.

ARTICLE I

Name

The name of the Corporation shall be Cedar Income Fund, Ltd. (the "Corporation").

ARTICLE II

Principal Office, Registered Office and Agent

The address of the Corporation's principal office in Maryland is c/o The Corporation Trust, Incorporated, 300 East Lombard Street, Baltimore, Maryland 21202. The address of the Corporation's principal office and registered office in the State of Maryland is 300 East Lombard Street, Baltimore, Maryland 21202. The name of its registered agent at that office is The Corporation Trust, Incorporated, a Maryland corporation.

ARTICLE III

Purposes

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Maryland as now or hereafter in force.

ARTICLE IV

Capital Stock

A. Authorized Shares. The total number of shares of all classes of capital stock that the Corporation shall have authority to issue is 55 million shares, consisting of 50 million shares of Common Stock with a par value of \$.01 per share (the "Common Stock"), amounting in the aggregate to par value of \$500,000, and 5 million shares of Preferred Stock with a par value of \$.01 per share (the "Preferred Stock"), amounting in the aggregate to par value of \$50,000.

B. Common Stock

1. Dividend Rights. Subject to the preferential dividend rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph C of this Article IV, Holders (as defined below) shall be entitled to receive such dividends as may be declared by the Board of Directors of the Corporation. Upon the declaration of dividends hereunder, Holders shall be entitled to share in all such dividends, pro rata, in accordance with the relative number of shares of Common Stock held by each such Holder.
2. Rights Upon Liquidation. Subject to the preferential rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph C of this Article IV, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, each Holder shall be entitled to receive, ratably with each other Holder, that portion of the assets of the Corporation available for distribution to its stockholders as the number of shares of the Common Stock held by such Holder bears to the total number of shares of Common Stock then outstanding.
3. Voting Rights. Each Holder shall be entitled to vote on all matters (on which a holder of Common Stock shall be entitled to vote), and shall be entitled to one vote for each share of the Common Stock held by such Holder.
4. Restrictions on Ownership and Transfer to Preserve Tax Benefit.

(a) Definitions

For the purposes of this Article IV, the following terms shall have the following meanings:

“Act” shall mean the General Corporation Law of Maryland.

“Beneficial Ownership” shall mean ownership of Common Stock by a Person who would be treated as an owner of such shares of Common Stock either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h) of the Code. The terms “Beneficial Owner,” “Beneficially Owns” and “Beneficially Owned” shall have the correlative meanings.

“Charitable Trust” shall mean the trust created pursuant to subparagraph B(4)(c)(i) of this Article IV.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Constructive Ownership” shall mean ownership of Common Stock by a Person who would be treated as an owner of such shares of Common Stock either directly or constructively through the application of Section 318 of the Code, as modified by Section 856(d)(5) of the Code. The terms “Constructive Owner,” “Constructively Owns” and “Constructively Owned” shall have the correlative meanings.

“Date of the Merger” shall mean the latter of the Merger and the redemption of shares of Common Stock held by Cedar Bay Company in exchange for Units.

“Existing Holder” shall mean (i) Cedar Bay Company and (ii) any Person (other than another Existing Holder) to whom an Existing Holder transfers Beneficial Ownership of Common Stock causing such transferee to Beneficially Own Common Stock in excess of the Ownership Limit.

“Existing Holder Limit” (i) for any Existing Holder who is an Existing Holder by virtue of clause (i) of the definition thereof, shall mean, initially, the percentage of Common Stock Beneficially Owned by such Person immediately after the Merger, and after any adjustment pursuant to subparagraph B(4)(i) of this Article IV, shall mean such percentage of the outstanding Common Stock as so adjusted; and (ii) for any Existing Holder who becomes an Existing Holder by virtue of clause (ii) of the definition thereof, shall mean, initially, the percentage of the outstanding Common Stock Beneficially Owned by such Existing Holder at the time that such Existing Holder becomes an Existing Holder, and after any adjustment pursuant to subparagraph B(4)(i) of this Article IV, shall mean such percentage of the outstanding Common Stock as so adjusted; provided, however, that the Existing Holding Limits for all Existing Holders when combined shall not exceed 85% of the Corporation’s Common Stock. For purposes of determining the Existing Holder Limit, the amount of Common Stock outstanding at the time of the determination shall be deemed to include the maximum number of shares that Existing Holders may beneficially own with respect to options and rights to convert Units into Common Stock pursuant to Section 8.6 of the Partnership Agreement and shall not include shares that may be Beneficially Owned solely by other persons upon exercise of options or rights to convert into Common Stock. From the Date of the Merger and prior to the Restriction Termination Date, the Secretary of the Corporation shall maintain and, upon request, make available to each Existing Holder, a schedule which sets forth the then current Existing Holder Limits for each Existing Holder.

“Holder” shall mean the record holder of shares of Common Stock, or in the case of shares held by a Purported Record Transferee, the Charitable Trust.

“IRS” shall mean the United States Internal Revenue Service.

“Market Price” shall mean the last reported sales price reported on the New York Stock Exchange of Common Stock on the trading day immediately preceding the relevant date, or if the Common Stock is not then traded on the New York Stock Exchange, the last reported sales price of the Common Stock on the trading day immediately preceding the relevant date as reported on any exchange or quotation system over which the Common Stock may be traded, or if the Common Stock is not then traded over any exchange or quotation system, then the market price of the Common Stock on the relevant date as determined in good faith by the Board of Directors of the Corporation.

“Merger” shall mean the merger of Cedar Income Fund, Ltd., an Iowa corporation, with and into the Corporation, its wholly-owned subsidiary.

“Ownership Limit” shall initially mean 3.5% of the outstanding Common Stock of the Corporation, and after any adjustment as set forth in subparagraph B(4)(i) of this Article IV, shall mean such greater percentage.

“Partner” shall mean any Person owning Units.

“Partnership” shall mean Cedar Income Fund Partnership, L.P., a Delaware limited partnership.

“Partnership Agreement” shall mean the Agreement of Limited Partnership of the Partnership, of which the Corporation is the sole general partner, as such agreement may be amended from time to time.

“Person” shall mean an individual, corporation, partnership, estate, trust, a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended; but does not include (i) Cedar Bay Company, and (ii) an underwriter which participates in a public offering of the Common Stock provided that the ownership of Common Stock by such underwriter would not result in the Corporation failing to qualify as a REIT.

“Purported Transferee” shall mean, with respect to any purported Transfer which results in a violation of subparagraph B(4)(b) of this Article IV, the purported beneficial transferee or owner for whom the Purported Record Transferee would have acquired or owned shares of Common Stock, if such Transfer had been valid under such subparagraph.

“Purported Record Transferee” shall mean, with respect to any purported Transfer which results in a violation of subparagraph B(4)(b) of this Article IV, the record holder of the Common Stock if such Transfer had been valid under such subparagraph.

“REIT” shall mean a Real Estate Investment Trust under Section 856 of the Code.

“Restriction Termination Date” shall mean the first day after the Date of the Merger on which the Board of Directors of the Corporation determines that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT.

“Transfer” shall mean any sale, transfer, gift, assignment, devise or other disposition of Common Stock (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Common Stock or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Common Stock), whether voluntary or involuntary, whether of record or beneficially or Beneficially or Constructively (including but not limited to transfers of interests in other entities which result in changes in Beneficial or Constructive Ownership of Common Stock), and whether by operation of law or otherwise.

“Trustee” shall mean the Corporation as trustee for the Charitable Trust, and any successor trustee appointed by the Corporation.

“Units” shall mean the units into which partnership interests of the Partnership are divided, and as the same may be adjusted, as provided in the Partnership Agreement.

(b) Restriction on Ownership and Transfers.

(i) Except as provided in subparagraph B(4)(k) of this Article IV, from the Date of the Merger and prior to the Restriction Termination Date, no Person (other than an Existing Holder) shall Beneficially Own shares of Common Stock in excess of the Ownership Limit, and no Existing Holder shall Beneficially Own shares of Common Stock in excess of the Existing Holder Limit for such Existing Holder.

(ii) Except as provided in subparagraph B(4)(k) of this Article IV, from the Date of the Merger and prior to the Restriction Termination Date, any Transfer that, if effective, would result in any Person (other than an Existing Holder) Beneficially Owning Common Stock in excess of the Ownership Limit shall be void ab initio as to the Transfer of such shares of Common Stock which would be otherwise Beneficially Owned by such Person in excess of the Ownership Limit; and the Purported Transferee shall acquire no rights in such shares of Common Stock.

(iii) Except as provided in subparagraph B(4)(k) of this Article IV, from the Date of the Merger and prior to the Restriction Termination Date, any Transfer that, if effective, would result in any Existing Holder Beneficially Owning Common Stock in excess of the applicable Existing Holder Limit shall be void ab initio as to the Transfer of such shares of Common Stock which would be otherwise Beneficially Owned by such Existing Holder in excess of the applicable Existing Holder Limit; and such Existing Holder shall acquire no rights in such shares of Common Stock.

(iv) Except as provided in subparagraph B(4)(k) of this Article IV, from the Date of the Merger and prior to the Restriction Termination Date, any Transfer that, if effective, would result in the Common Stock being beneficially owned by less than 100 Persons (determined without reference to any rules of attribution) shall be void ab initio as to the Transfer of such shares of Common Stock which would be otherwise beneficially owned by the transferee; and the intended transferee shall acquire no rights in such shares of Common Stock.

(v) Notwithstanding any other provisions contained in this Article IV, from the Date of the Merger and prior to the Restriction Termination Date, any Transfer or other event that, if effective, would result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code, or would otherwise result in the Corporation failing to qualify as a REIT (including, but not limited to, a Transfer or other event that would result in the Corporation owning (directly or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Corporation from such tenant would cause the Corporation to fail to satisfy any of the gross income requirements of Section 856(c) of the Code), shall be void ab initio as to the Transfer of the shares of Common Stock which would cause the Corporation to be "closely held" within the meaning of Section 856(h) of the Code or would otherwise result in the Corporation failing to qualify as a REIT; and the intended transferee or owner or Constructive or Beneficial Owner shall acquire or retain no rights in such shares of Common Stock.

(c) Effect of Transfer in Violation of Subparagraph (B)(4)(b).

(i) If, notwithstanding the other provisions contained in this Article IV, at any time after the Date of the Merger and prior to the Restriction Termination Date, there is a purported Transfer, change in the capital structure of the Corporation, or other event such that one or more of the restrictions on ownership and transfers described in subparagraph B(4)(b) above has been violated, then the shares of Common Stock being Transferred (or in the case of an event other than a Transfer, the shares owned or Constructively Owned or Beneficially Owned) which would cause one or more of the restrictions on ownership or transfer to be violated (rounded up to the nearest whole share) (the "Trust Shares"), shall automatically be transferred to the Corporation, as Trustee of a trust (the "Charitable Trust") for the exclusive benefit of The American Cancer Society (the "Designated Charity"), an organization described in Section 170(b)(1)(A) and 170(c) of the Code. The Purported Transferee shall have no rights in such Trust Shares.

(ii) The Corporation, as Trustee of the Charitable Trust, may transfer the shares held in such trust to a Person whose ownership of the shares will not result in a violation of the ownership restrictions (a "Permitted Transferee"). If such a transfer is made, the interest of the Designated Charity will terminate and proceeds of the sale will be payable to the Purported Transferee and to the Designated Charity. The Purported Transferee will receive the lesser of (1) the price paid by the Purported Transferee for the shares or, if the Purported Transferee did not give value for the shares, the Market Price of the shares on the day of the event causing the shares to be held in trust, and (2) the price per share received by the Corporation, as Trustee, from the sale or other disposition of the shares held in trust. The Designated Charity will receive any proceeds in excess of the amount payable to the Purported Transferee. The Purported Transferee will not be entitled to designate a Permitted Transferee.

(iii) All stock held in the Charitable Trust will be deemed to have been offered for sale to the Corporation or its designee for a 90-day period, at the lesser of the price paid for that stock by the Purported Transferee and the Market Price on the date that the Corporation accepts the offer. This period will commence on the date of the violative transfer, if the Purported Transferee gives notice to the Corporation of the transfer, or the date that the Board of Directors of the Corporation determines that a violative transfer occurred, if no such notice is provided.

(iv) Any dividend or distribution paid prior to the discovery by the Corporation that shares of Common Stock have been transferred in violation of subparagraph B(4)(b) of this Article IV, shall be repaid to the Corporation upon demand and shall be held in trust for the Designated Charity. Any dividend or distribution declared but unpaid shall be rescinded as void ab initio with respect to such shares of stock.

(v) Subject to the preferential rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph C of this Article IV, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, the Designated Charity shall be entitled to receive, ratably with each other holder of Common Stock, that portion of the assets of the Corporation available for distribution to its stockholders as the number of Trust Shares bears to the total number of shares of Common Stock then outstanding (including the Trust Shares). The Corporation, as Trustee, or if the Corporation shall have been dissolved, any trustee appointed by the Corporation prior to its dissolution, shall distribute to the Designated Charity, when determined (or if not determined, or only partially determined, ratably to the other holders of Common Stock who have been determined and the Designated Charity), any such assets received in respect of the Trust Shares in any liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation.

(vi) The Purported Transferee will not be entitled to vote any Common Stock it attempts to acquire, and any stockholder vote will be rescinded if a Purported Transferee votes and the stockholder vote would have been decided differently if such Purported Transferee's vote was not counted.

(d) Remedies for Breach. If the Board of Directors or its designees shall at any time determine in good faith that a Transfer or other event has taken place in violation of subparagraph B(4)(b) of this Article IV or that a Person intends to acquire or has attempted to acquire beneficial ownership (determined without reference to any rules of attribution), Beneficial Ownership or Constructive Ownership of any shares of the Corporation in violation of subparagraph B(4)(b) of this Article IV, the Corporation shall inform the Purported Transferee of its obligations pursuant to this Article IV, including such Purported Transferee's obligations to pay over to the Charitable Trust any and all dividends received with respect to the Trust Shares. In addition, the Board of Directors or its designees shall take such action as it deems advisable to refuse to give effect or to prevent such Transfer, including, but not limited to, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer and to recover any dividend erroneously paid and declaring any votes erroneously cast to be retroactively invalid; provided, however, that any Transfers (or, in the case of events other than a Transfer, ownership or Constructive Ownership or Beneficial Ownership) in violation of subparagraph B(4)(b) of this Article IV shall automatically result in a transfer to the Charitable Trust as described in subparagraph B(4)(c), irrespective of any action (or non-action) by the Board of Directors.

(e) Notice of Restricted Transfer. Any Person who acquires or attempts to acquire shares in violation of subparagraph B(4)(b) of this Article IV, or any Person who is a Purported Transferee, shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer or attempted Transfer on the Corporation's status as a REIT.

(f) Owners Required To Provide Information. From the Date of the Merger and prior to the Restriction Termination Date each Person who is a beneficial owner or Beneficial Owner or Constructive Owner of Common Stock and each Person (including the stockholder of record) who is holding Common Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information that the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT.

(g) Remedies Not Limited. Nothing contained in this Article IV shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders by preservation of the Corporation's status as a REIT.

(h) Ambiguity. In the case of an ambiguity in the application of any of the provisions of subparagraph B(4) of this Article IV, including any definition contained in subparagraph B(4)(a), the Board of Directors shall have the power to determine the application of the provisions of this subparagraph B(4) with respect to any situation based on the facts known to it.

(i) Modification of Ownership Limit or Existing Holder Limit. Subject to the limitations provided in subparagraph B(4)(j), the Board of Directors may from time to time increase the Ownership Limit or the Existing Holder Limit and shall file Articles Supplementary with the State Department of Assessment and Taxation of Maryland to evidence such increase.

(j) Limitations on Modifications.

(i) From the Date of the Merger and prior to the Restriction Termination Date, neither the Ownership Limit nor any Existing Holder Limit may be increased (nor may any additional Existing Holder Limit be created) if, after giving effect to such increase (or creation), five Persons who are Beneficial Owners of Common Stock (including all of the then Existing Holders) could (taking into account the Ownership Limit and the Existing Holder Limit) Beneficially Own, in the aggregate, more than 49% of the outstanding Common Stock.

(ii) Prior to the modification of any Existing Holder Limit or Ownership Limit pursuant to subparagraph B(4)(i) of this Article IV, the Board of Directors of the Corporation may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

(iii) No Existing Holder Limit shall be reduced to a percentage which is less than the Ownership Limit.

(iv) The Ownership Limit may not be increased to a percentage which is greater than 9.9%.

(k) Exceptions.

(i) The Board of Directors, in its sole discretion, may exempt a Person from the Ownership Limit or the Existing Holder Limit, as the case may be, if such Person is not an individual for purposes of Section 542(a)(2) of the Code and the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficial Ownership of such shares of Common Stock will violate the Ownership Limit or the applicable Existing Holder Limit, as the case may be, and agrees that any violation of such representations or undertaking (or other action which is contrary to the restrictions contained in this subparagraph B(4) of this Article IV) or attempted violation will result in such shares of Common Stock automatically being transferred to the Charitable Trust.

(ii) Prior to granting any exception pursuant to subparagraph B(4)(k)(i) of this Article IV, the Board of Directors may require a ruling from the IRS, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

5. Legend. Each certificate for shares of Common Stock shall bear legends substantially to the effect of the following:

“The Corporation is authorized to issue two classes of capital stock which are designated as Common Stock and Preferred Stock. The Board of Directors is authorized to determine the preferences, limitations and relative rights of the Preferred Stock before the issuance of any Preferred Stock. The Corporation will furnish, without charge, to any stockholder making a written request therefor, a copy of the Corporation’s charter and a written statement of the designations, relative rights, preferences and limitations applicable to each such class of stock. Requests for the Corporation’s charter and such written statement may be directed to Cedar Income Fund, Ltd., 44 South Bayles Avenue, Port Washington, New York 11050, Attention: Secretary.

The shares of Common Stock represented by this certificate are subject to restrictions on ownership and Transfer for the purpose of the Corporation’s maintenance of its status as a Real Estate Investment Trust under the Code. No Person may Beneficially Own shares of Common Stock in excess of 3.5% (or such greater percentage as may be determined by the Board of Directors of the Corporation) of the outstanding Common Stock of the Corporation (unless such Person is an Existing Holder) with certain exceptions set forth in the Corporation’s charter. Any Person who attempts to Beneficially Own shares of Common Stock in excess of the above limitations must immediately notify the Corporation. All capitalized terms in this legend have the meanings defined in the Corporation’s charter. Transfers in violation of the restrictions described above may be void ab initio.

In addition, upon the occurrence of certain events, if the restrictions on ownership are violated, the shares of Common Stock represented hereby may be automatically exchanged for Trust Shares which will be held in trust by the Corporation. The Corporation has an option to acquire Trust Shares under certain circumstances. The Corporation will furnish to the holder hereof upon request and without charge a complete written statement of the terms and conditions of the Trust Shares. Requests for such statement may be directed to Cedar Income Fund, Ltd., 44 South Bayles Avenue, Port Washington, New York 11050, Attention: Secretary.”

6. Severability. If any provision of this Article IV or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provisions shall be affected only to the extent necessary to comply with the determination of such court.

C. Preferred Stock. The Board of Directors of the Corporation, by resolution, is hereby expressly vested with authority to provide for the issuance of the shares of Preferred Stock in one or more classes or one or more series, with such voting powers, full or limited, or no voting powers, and with such designations, preferences and relative, participating, optional and other special rights, and qualifications, limitations or restrictions thereof, if any, as shall be stated and expressed in the resolution or resolutions providing for such issue adopted by the Board of Directors. Except as otherwise provided by law, the holders of the Preferred Stock of the Corporation shall only have such voting rights as are provided for or expressed in the resolutions of the Board of Directors relating to such Preferred Stock adopted pursuant to the authority contained in the Articles of Incorporation. Before issuance of any such shares of Preferred Stock, the Corporation shall file Articles Supplementary with the State Department of Assessment and Taxation of Maryland in accordance with the provision of Section 2-208 of the Act.

D. Reservation of Shares. Pursuant to the obligations of the Corporation under the Partnership Agreement to issue shares of Common Stock in exchange for Units, the Board of Directors is hereby required to reserve a sufficient number of authorized but unissued shares of Common Stock to permit the Corporation to issue shares of Common Stock in exchange for Units that may be exchanged for shares of Common Stock pursuant to the Partnership Agreement.

E. Preemptive Rights. No holder of shares of capital stock of the Corporation shall, as such holder, have any preemptive or other right to purchase or subscribe for any shares of Common Stock or any class of capital stock of the Corporation which the Corporation may issue or sell.

F. Control Shares. Pursuant to Section 3-702(b) of the Act, the terms of Subtitle 7 of Title 3 of the Act shall be inapplicable to any acquisition of a Control Share (as defined in the Act) that is not prohibited by the terms of Article IV.

G. Business Combinations. Pursuant to Section 3-603(e)(1)(iii) of the Act, the terms of Section 3-602 of such law shall be inapplicable to the Corporation.

ARTICLE V

Board of Directors

A. Management. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors.

B. Number. The number of directors which will constitute the entire Board of Directors shall be fixed by, or in the manner provided in, the By-Laws but shall in no event be less than three. The names of the directors who shall act until the first annual meeting or until their successors are duly chosen and qualified are Leo S. Ullman, J.A.M.H. der Kinderen and Everett B. Miller III.

C. Classification. The directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as shall be provided in the By-Laws of the Corporation, one class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 1999, another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 2000, and another class to be originally elected for a term expiring at the annual meeting of stockholders to be held in 2001, with each class to hold office until its successors are elected and qualified. At each annual meeting of the stockholders of the Corporation, the date of which shall be fixed by or pursuant to the By-Laws of the Corporation, the successors of the class of directors whose terms expire at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. No election of directors need be by written ballot. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

D. Vacancies. Newly created directorships resulting from any increase in the number of directors may be filled by the Board of Directors, or as otherwise provided in the By-Laws, and any vacancies on the Board of Directors resulting from death, resignation, removal or other cause shall only be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, or as otherwise provided in the By-Laws. Any director elected in accordance with the preceding sentence shall hold office until the next annual meeting of the Corporation, at which time a successor shall be elected to fill the remaining term of the position filled by such director.

E. Removal. Any director may be removed from office only for cause and only by the affirmative vote of the holders of a majority of the combined voting power of the then outstanding shares entitled to vote in the election of directors. For purposes of this subparagraph E of Article V “cause” shall mean the willful and continuous failure of a director to substantially perform such director’s duties to the Corporation (other than any such failure resulting from temporary incapacity due to physical or mental illness) or the willful engaging by a director in gross misconduct materially and demonstrably injurious to the Corporation.

F. By-Laws. The power to adopt, alter and/or repeal the By-Laws of the Corporation is vested exclusively in the Board of Directors.

G. Powers. The enumeration and definition of particular powers of the Board of Directors included in the foregoing shall in no way be limited or restricted by reference to or inference from the terms of any other clause of this or any other Article of the charter of the Corporation, or construed as or deemed by inference or otherwise in any manner to exclude or limit the powers conferred upon the Board of Directors under the General Corporation Law of Maryland as now or hereafter in force.

ARTICLE VI

Liability

The liability of the directors and officers of the Corporation to the Corporation and its stockholders for money damages is hereby limited to the fullest extent permitted by Section 5-349 of the Courts and Judicial Proceedings Code of Maryland (or its successor) as such provisions may be amended from time to time.

ARTICLE VII

Indemnification

The Corporation shall indemnify (A) its directors and officers, whether serving the Corporation or at its request any other entity, to the full extent required or permitted by the General Laws of the State of Maryland now or hereafter in force, including the advance of expenses under the procedures and to the full extent permitted by law and (B) other employees and agents to such extent as shall be authorized by the Board of Directors or the Corporation's By-Laws and be permitted by law. The foregoing rights of indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled. The Board of Directors may take such action as is necessary to carry out these indemnification provisions and is expressly empowered to adopt, approve and amend from time to time such By-Laws, resolutions or contracts implementing such provisions or such further indemnification arrangements as may be permitted by law. No amendment of the charter of the Corporation shall limit or eliminate the right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

ARTICLE VIII

Existence

The Corporation is to have perpetual existence.

IN WITNESS WHEREOF, the undersigned incorporator of Cedar Income Fund, Ltd. who executed the foregoing Articles of Incorporation hereby acknowledges the same to be his act and further acknowledges that, to the best of his knowledge the matters and facts set forth therein are true in all material respects under the penalties of perjury.

Dated the 11th day of June, 1998.

/s/ James T. Cunningham

JAMES T. CUNNINGHAM

**CERTIFICATE OF CORRECTION
TO
THE ARTICLES OF INCORPORATION
OF
CEDAR INCOME FUND, LTD.,
a Maryland Corporation**

Pursuant to the provisions of Section 1-207 of the Maryland General Corporation Law, the undersigned executes the following Certificate of Correction:

1. The title of the document being corrected is the "Articles of Incorporation of Cedar Income Fund, Ltd." (the "Articles").
2. The name of the sole party to the Articles is James T. Cunningham, as sole incorporator of Cedar Income Fund, Ltd., a Maryland corporation. 3. The date that the Articles were filed with the State of Maryland Department of Assessments and Taxation is June 12, 1998.
4. The erroneous provision of the Articles to be corrected is the proviso beginning on the 11th line of the definition of the term "Existing Holder Limit" contained in Article IV paragraph B.4.(a) of the Articles (the "Proviso") which currently reads as follows:
"provided, however, that the Existing Holding Limits for all Existing Holders when combined shall not exceed 85% of the Corporation's Common Stock."
5. The foregoing erroneous Proviso is hereby corrected to read as follows:
"provided, however, that the Existing Holder Limits for all Existing Holders when combined shall not exceed 35% of the Corporation's Common Stock."

IN WITNESS WHEREOF, the undersigned sole incorporator of Cedar Income Fund, Ltd., who executes the foregoing Certificate of Correction, hereby acknowledges the same to be his act and further acknowledges that, to the best of his knowledge, the matters and facts set forth herein are true in all material respects under the penalties of perjury.

Dated the 24th day of July, 1998.

/s/ James T. Cunningham
JAMES T. CUNNINGHAM

STATE OF MARYLAND
DEPARTMENT OF
ASSESSMENTS AND TAXATION

[SEAL]

CHARTER DIVISION

PARRIS N. GLENDENING
GOVERNOR
RONALD W. WINEHOLT
DIRECTOR
PAUL B. ANDERSON
ADMINISTRATOR

ARTICLES OF AMENDMENT
(See instructions on previous page)

(1)

(2) Cedar Income Fund, Ltd. , a Maryland corporation hereby certifies to the State Department of Assessments and Taxation of Maryland that:

(3) The charter of the corporation is hereby amended as follows: by striking out Article I of the articles of incorporation and inserting in lieu thereof thefollowing:

Article I

Name

The name of the Corporation shall be Uni-Invest (U.S.A.), Ltd. (the“Corporation”).

This amendment of the charter of the corporation has been approved by

(4) The directors and shareholders.

We the undersigned President and Secretary swear under penalties of perjury that the foregoing is a corporate act.

/s/ Stuart H. Widowski
SECRETARY

/s/ Leo S. Ullman
PRESIDENT

**MAIL TO: STATE DEPARTMENT OF ASSESSMENTS & TAXATION
301 WEST PRESTON STREET, ROOM 809
BALTIMORE, MD 21201
PHONE: 401-767-1350**

STATE OF MARYLAND
DEPARTMENT OF
ASSESSMENTS AND TAXATION [SEAL]
CHARTER DIVISION

PARRIS N. GLENDENING
GOVERNOR
RONALD W. WINEHOLT
DIRECTOR
PAUL B. ANDERSON
ADMINISTRATOR

ARTICLES OF AMENDMENT
(See instructions on previous page)

(1)

(2) Uni-Invest (U.S.A.), Ltd. , a Maryland corporation hereby certifies to the State Department of Assessments and Taxation of Maryland that:

(3) The charter of the corporation is hereby amended as follows: The name of the Corporation is hereby changed to "Cedar Income Fund, Ltd."

This amendment of the charter of the corporation has been approved by

(4) The directors.

We the undersigned President and Secretary swear under penalties of perjury that the foregoing is a corporate act.

/s/ Stuart H. Widowski

SECRETARY
Stuart H. Widowski

/s/ Leo S. Ullman

PRESIDENT
Leo S. Ullman

MAIL TO: STATE DEPARTMENT OF ASSESSMENTS & TAXATION
301 WEST PRESTON STREET, ROOM 809
BALTIMORE, MD 21201
PHONE: 401-767-1350

**ARTICLES OF AMENDMENT
OF ARTICLES OF INCORPORATION
OF
CEDAR INCOME FUND, LTD.**

Cedar Income Fund, Ltd., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland, that:

1. Article I of the Articles of Incorporation of the Corporation, filed with the State Department of Assessments and Taxation of Maryland on June 12, 1998, as heretofore amended, is hereby amended to read as follows:

ARTICLE I

Name

The name of the Corporation shall be Cedar Shopping Centers, Inc. (the "Corporation").

2. The amendment of the charter of the Corporation has been approved by a majority of the entire Board of Directors since the amendment is limited to a change expressly authorized by Section 2-605 of the Maryland General Corporation Law.

IN WITNESS WHEREOF, we the undersigned President and Secretary hereby swear under penalties of perjury that the foregoing Articles of Amendment of Articles of Incorporation of Cedar Income Fund, Ltd. is a corporate act of Cedar Income Fund, Ltd. and have caused these Articles of Amendment to be executed and attested this 29th day of July, 2003.

CEDAR INCOME FUND, LTD.

By:

Leo S. Ullman, President

Attest:

Stuart H. Widowsky, Secretary

**ARTICLES OF AMENDMENT
OF ARTICLES OF INCORPORATION
OF
CEDAR SHOPPING CENTERS, INC.**

Cedar Shopping Centers, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

1. The Articles of Incorporation of the Corporation, filed with the State Department of Assessments and Taxation of Maryland on June 12, 1998, as amended, are hereby amended as follows:

(i) The definition of "Ownership Limit" in subparagraph B(4)(a) of Article IV shall be deleted in its entirety and replaced with the following:

"Ownership Limit" shall mean 9.9% of the outstanding Common Stock of the Corporation, and after any adjustment as set forth in subparagraph B(4)(i) of this Article IV, shall mean such greater percentage.

(ii) Clause (i) of the definition of "Existing Holder Limit" in subparagraph B(4)(a) of Article IV shall be deleted in its entirety and replaced with the following:

(i) for any Existing Holder who is an Existing Holder by virtue of clause (i) of the definition thereof, shall mean, initially, the percentage of Common Stock Beneficially Owned by such Person immediately after the Public Offering, and after any adjustment pursuant to subparagraph B(4)(i) of this Article IV, shall mean such percentage of the outstanding Common Stock as so adjusted.

(iii) Section B(4)(j)(i) of Article IV shall be deleted in its entirety and replaced with the following:

(i) Prior to the Restriction Termination Date, neither the Ownership Limit nor any Existing Holder Limit may be increased (nor may any additional Existing Holder Limit be created) if, after giving effect to such increase (or creation), five persons who are Beneficial Owners of Common Stock (including all of the then Existing Holders) could (taking into account the Ownership Limit and the Existing Holder Limit) Beneficially Own, in the aggregate, more than 49.5% of the outstanding Common Stock.

(iv) The following definition shall be added to Section B(4)(a) of Article IV:

"Public Offering" shall mean the public offering, if any, of the Company's common stock that is consummated prior to June 30, 2004.

(v) Section C of Article V shall be deleted in its entirety and replaced with the following:

C. At each annual meeting of the stockholders of the Corporation, the date of which shall be fixed by or pursuant to the By-Laws of the Corporation, the successors of the class of directors whose terms expire at that meeting shall be elected to hold office for a term of one year and until such director's earlier resignation or removal; provided, however, each director elected at the annual meetings of the Corporation held in 2001 and 2002 shall serve for the full three-year term to which such director was elected or until such director's earlier resignation or removal. No election of directors need be by written ballot. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

2. The amendments to the Articles of Incorporation of the Corporation have been advised by the Board of Directors and approved by the shareholders of at least two-thirds of the shares of the Corporation's Common Stock entitled to vote at the Corporation's Annual Meeting held on October 9, 2003.

IN WITNESS WHEREOF, we the undersigned President and Secretary hereby swear under penalties of perjury that the adoption of the foregoing Articles of Amendment of Articles of Incorporation of Cedar Shopping Centers, Inc. is a corporate act of Cedar Shopping Centers, Inc. and that we have caused these Articles of Amendment to be executed and attested this 2nd day of October, 2003.

CEDAR SHOPPING CENTERS, INC.

By:

Leo S. Ullman, President

Attest:

Stuart H. Widowsky, Secretary

**ARTICLES OF AMENDMENT
OF ARTICLES OF INCORPORATION
OF
CEDAR SHOPPING CENTERS, INC.**

Cedar Shopping Centers, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

1. The Articles of Incorporation of the Corporation, filed with the State Department of Assessments and Taxation of Maryland on June 12, 1998, as amended, are hereby amended as follows:

(i) The first paragraph of Article IV shall be deleted in its entirety and replaced with the following:

Capital Stock

A. Authorized Shares. The total number of shares of all classes of capital stock that the Corporation shall have authority to issue is 55 million shares, consisting of 50 million shares of Common Stock with a par value of \$.06 per share (the "Common Stock"), amounting in the aggregate to par value of \$3,000,000, and 5 million shares of Preferred Stock with a par value of \$.01 per share (the "Preferred Stock"), amounting in the aggregate to par value of \$50,000.

The amendment to the Articles of Incorporation of the Corporation has been advised by the Board of Directors and approved by the holders of at least two-thirds of the shares of the Corporation's Common Stock entitled to vote at the Corporation's Annual Meeting held on October 9, 2003.

IN WITNESS WHEREOF, we the undersigned President and Secretary hereby swear under penalties of perjury that the adoption of the foregoing Articles of Amendment of Articles of Incorporation of Cedar Shopping Centers, Inc. is a corporate act of Cedar Shopping Centers, Inc. and that we have caused these Articles of Amendment to be executed and attested this 9th day of October, 2003.

CEDAR SHOPPING CENTERS, INC.

By: /s/ Leo S. Ullman
Leo S. Ullman, President

Attest:

/s/ Stuart H. Widowski
Stuart H. Widowsky, Secretary

CEDAR SHOPPING CENTERS, INC.
ARTICLES SUPPLEMENTARY
8 7/8% SERIES A CUMULATIVE REDEEMABLE PREFERRED STOCK

Cedar Shopping Centers, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST : Under a power contained in Article IV of the Articles of Incorporation of the Corporation, as amended and supplemented (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by resolution duly adopted at a meeting duly called and held on July 19, 2004 (the "Board Resolutions"), and the Pricing Committee of the Board of Directors established by the Board Resolutions, by resolution duly adopted at a meeting duly called and held on July 23, 2004, classified and designated 2,350,000 shares (the "Shares") of Preferred Stock (as defined in the Charter) as shares of 8 7/8% Series A Cumulative Redeemable Preferred Stock, with the preferences, conversions and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as follows and provided for the issuance thereof. Upon any restatement of the Charter, Sections 1 through 13 of this Article FIRST shall become part of Article IV of the Charter, with such changes in enumeration as are necessary to complete such restatement.

(1) Designation and Number. A series of shares of Preferred Stock, designated as the "8 7/8% Series A Cumulative Redeemable Preferred Stock" (the "Series A Preferred Stock"), is hereby established. The number of shares of Series A Preferred Stock shall be 2,350,000. The par value of the Series A Preferred Stock shall be \$.01 per share.

(2) Rank. The Series A Preferred Stock will, with respect to distribution rights and rights upon liquidation, dissolution or winding up of the Corporation, rank (a) senior to all classes or series of Common Stock (as defined in the Charter), and to all equity securities the terms of which provide that such equity securities shall rank junior to the Series A Preferred Stock; (b) on parity with all equity securities issued by the Corporation the terms of which specifically provide that such equity securities rank on parity with the Series A Preferred Stock; and (c) junior to all equity securities issued by the Corporation the terms of which specifically provide that such equity securities rank senior to the Series A Preferred Stock. The term "equity securities" shall not include convertible debt securities.

(3) Distributions.

(a) Holders of Series A Preferred Stock shall be entitled to receive, when and if declared by the Board of Directors, out of funds legally available for payment of distributions, cumulative preferential cash distributions at the rate of 8 7/8% of the liquidation preference per annum (which is equivalent to a fixed annual amount of \$2.21875 per share of Series A Preferred Stock). Such distributions shall accrue and cumulate from the date of original issuance (July 28, 2004) and shall be payable quarterly in arrears on the 20th day of February, May, August and November of each year or, if not a business day, the next succeeding business day (each a "Distribution Payment Date"). The first distribution on the Series A Preferred Stock

shall be paid on November 20, 2004, will be for more than a full quarter and will reflect distributions accumulated from the date of original issuance through November 20, 2004. Any distribution payable on the Series A Preferred Stock for any partial distribution period shall be prorated and computed on the basis of a 360-day year consisting of twelve 30-day months. Distributions shall be payable to holders of record as they appear in the stock records of the Corporation at the close of business on the applicable distribution record date, which shall be a date designated by the Board of Directors for the payment of distributions that is not more than 60 nor less than 10 calendar days immediately preceding such Distribution Payment Date (each, a "Distribution Record Date").

(b) No distribution on the Series A Preferred Stock shall be authorized or declared or paid or set apart for payment by the Corporation at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness or any other of the Corporation's preferred stock, prohibits such authorization, declaration, payment or setting apart for payment or provides that such authorization, declaration, payment or setting apart for payment would constitute a breach or default thereunder, or if such authorization, declaration, payment or setting apart for payment shall be restricted or prohibited by law.

Notwithstanding anything to the contrary contained herein, distributions on the Series A Preferred Stock shall accrue and cumulate whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of such distributions and whether or not such distributions are declared by the Board of Directors. Accrued but unpaid distributions on the Series A Preferred Stock shall cumulate as of the Distribution Payment Date on which they first become payable or on the date of redemption, as the case may be. No interest shall be payable in respect of any distribution on the Series A Preferred Stock that may be in arrears.

(c) Except as provided in the following sentence, if any Series A Preferred Stock are outstanding, no distributions, other than distributions in kind of the Corporation's Common Stock or other shares of the Corporation's equity securities ranking junior to the Series A Preferred Stock as to distributions and upon liquidation, may be declared or paid or set apart for payment, and no other distribution may be declared or made upon, the Corporation's Common Stock or any other shares of equity securities of the Corporation of any other class or series ranking, as to distributions and upon liquidation, on parity with or junior to the Series A Preferred Stock unless full cumulative distributions have been or contemporaneously are declared and paid or declared and a sum sufficient is set apart for such payment on the Series A Preferred Stock for all past distribution periods and the then current distribution period. When distributions are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series A Preferred Stock and all other equity securities ranking on parity, as to distributions, with the Series A Preferred Stock, all distributions declared upon the Series A Preferred Stock and any other equity securities ranking on parity, as to distributions, with the Series A Preferred Stock shall be authorized pro rata so that the amount of distributions authorized per share of Series A Preferred Stock and each such other equity security shall in all cases bear to each other the same ratio that accrued distributions per share of Series A Preferred Stock and such other equity security (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such other equity securities do not have a cumulative distribution) bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any distribution payment or payments on Series A Preferred Stock which may be in arrears.

(d) Except as provided in clause (c), unless full cumulative distributions on the Series A Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient is set apart for payment for all past distribution periods and the then current distribution period, no Common Stock or any other shares of equity securities of the Corporation ranking junior to or on parity with the Series A Preferred Stock as to distributions or upon liquidation shall be redeemed, purchased or otherwise acquired for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation (except by conversion into or exchange for Common Stock or other shares of equity securities of the Corporation ranking junior to the Series A Preferred Stock as to distributions and amounts upon liquidation). The foregoing shall not prohibit any redemption, purchase or other acquisition by the Corporation of any class or series of equity securities of the Corporation for the purpose of enforcing restrictions on ownership contained in the Corporation's Charter or preserving the Corporation's status as a real estate investment trust.

(e) Holders of Series A Preferred Stock shall not be entitled to any distribution, whether payable in cash, property or shares, in excess of full cumulative distributions on the Series A Preferred Stock as described above. Any distribution payment made on the Series A Preferred Stock, including any capital gain distributions, shall first be credited against the earliest accrued but unpaid distribution due with respect to the Series A Preferred Stock which remains payable.

(f) If, for any taxable year, the Corporation elects to designate as a "capital gain dividend" (as defined in Section 857 of the Code) any portion (the "Capital Gains Amount") of the dividends (as determined for federal income tax purposes) paid or made available for the year to holders of all series or classes of the Corporation's stock (the "Total Dividends"), then, except as otherwise required by applicable law, that portion of the Capital Gains Amount that shall be allocable to the holders of Series A Preferred Stock shall be in proportion to the amount that the total dividends (as determined for federal income tax purposes) paid or made available to the holders of the Series A Preferred Stock for the year bears to the Total Dividends. Except as otherwise required by applicable law, the Corporation will make a similar allocation with respect to any undistributed long-term capital gains of the Corporation which are to be included in its stockholders' long-term capital gains, based on the allocation of the Capital Gains Amount which would have resulted if such undistributed long-term capital gains has been distributed as "capital gains dividends" by the Corporation to its stockholders.

(4) Liquidation Preference.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation (referred to herein sometimes as a "liquidation"), the holders of Series A Preferred Stock then outstanding shall be entitled to receive out of the assets of the Corporation legally available for distribution to stockholders (after payment or provision for payment of all debts and other liabilities of the Corporation) the sum of (i) the liquidation

preference of \$25.00 per share, (ii) the applicable premium per share (expressed as a percentage of the liquidation preference of \$25.00 per share) as set forth in the table below during the twelve-month period beginning on July 28 of each year and (c) an amount equal to any accrued and unpaid distributions (whether or not declared) to the date of payment, before any distribution of assets is made to holders of Common Stock (as defined in the Charter) or any equity securities that the Corporation may issue that rank junior to the Series A Preferred Stock as to liquidation rights.

12-MONTH PERIOD	APPLICABLE PREMIUM
July 28, 2004 to July 27, 2005	5%
July 28, 2005 to July 27, 2006	4%
July 28, 2006 to July 27, 2007	3%
July 28, 2007 to July 27, 2008	2%
July 28, 2008 to July 27, 2009	1%
July 28, 2009 and thereafter	0

(b) If, upon any such voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the assets of the Corporation are insufficient to make full payment to holders of the Series A Preferred Stock and any shares of other classes or series of equity securities of the Corporation ranking on parity with the Series A Preferred Stock as to liquidation rights, then the holders of the Series A Preferred Stock and all other such classes or series of equity securities ranking on parity with the Series A Preferred Stock as to liquidation rights shall share ratably in any distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

(c) Written notice of any such liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than 30 nor more than 60 calendar days immediately preceding the payment date stated therein, to each record holder of the Series A Preferred Stock at the respective addresses of such holders as the same shall appear on the share transfer records of the Corporation.

(d) After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series A Preferred Stock shall have no right or claim to any of the remaining assets of the Corporation.

(e) None of a consolidation or merger of the Corporation with or into another entity, the merger of another entity with or into the Corporation, a statutory share exchange by the Corporation or a sale, lease, transfer or conveyance of all or substantially all of the Corporation's assets or business shall be considered a liquidation, dissolution or winding up of the Corporation.

(f) In determining whether a distribution (other than upon voluntary or involuntary dissolution) by dividend, redemption or other acquisition of shares of the Corporation or otherwise is permitted under Maryland law, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of the holders of Series A Preferred Stock will not be added to the Corporation's total liabilities.

(5) Redemption.

(a) Except as otherwise set forth in this Section 5 and in Section 8, the Series A Preferred Stock is not redeemable prior to July 28, 2009, except that the Corporation will be entitled to redeem, purchase or acquire shares of Series A Preferred Stock in order to ensure that the Corporation remains qualified as a REIT for federal income tax purposes.

(b) On or after July 28, 2009 the Corporation, at its option, upon giving notice as provided below, may redeem the Series A Preferred Stock, in whole or from time to time in part, for cash, at a redemption price of \$25.00 per share, plus all accrued and unpaid distributions on such Series A Preferred Stock to the date of redemption, whether or not declared (the "Redemption Right").

(c) If fewer than all of the outstanding shares of Series A Preferred Stock are to be redeemed pursuant to the Redemption Right, the shares to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares) or by lot or in such other equitable method prescribed by the Board of Directors. If such redemption is to be by lot and, as a result of such redemption, any holder of Series A Preferred Stock would become a holder of a number of Series A Preferred Stock in excess of the Ownership Limit because such holder's shares of Series A Preferred Stock were not redeemed, or were only redeemed in part, then, except as otherwise provided in the Charter, the Corporation shall redeem the requisite number of shares of Series A Preferred Stock of such holder such that no holder will hold in excess of the Ownership Limit subsequent to such redemption.

(d) Notwithstanding anything to the contrary contained herein, unless full cumulative distributions on all shares of Series A Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient is set apart for payment for all past distribution periods and the then current distribution period, no shares of Series A Preferred Stock shall be redeemed unless all outstanding shares of Series A Preferred Stock are simultaneously redeemed. In addition, unless full cumulative distributions on all shares of Series A Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient is set apart for payment for all past distribution periods and the then current distribution period, the Corporation shall not purchase or otherwise acquire directly or indirectly any shares of Series A Preferred Stock or any other shares of equity securities of the Corporation ranking junior to or on parity with the Series A Preferred Stock as to distributions or upon liquidation (except by conversion into or exchange for shares of equity securities of the Corporation ranking junior to the Series A Preferred Stock as to distributions and upon liquidation). The restrictions in this Section 5 on redemptions, purchases and other acquisitions shall not prevent the redemption, purchase or acquisition by the Corporation of Preferred Stock of any series pursuant to Article IV of the Charter or Section 5(a) hereof, or otherwise in order to ensure that the Corporation remains qualified as a REIT for United States federal income tax purposes, or the purchase or acquisition of Series A Preferred Stock pursuant to a purchase or exchange offer made on the same terms to all holders of the Series A Preferred Stock.

(e) Immediately prior to any redemption of shares of Series A Preferred Stock, the Corporation shall pay, in cash, any accrued and unpaid distributions to the redemption date, whether or not declared, unless a redemption date falls after a Distribution Record Date and prior to the corresponding Distribution Payment Date, in which case each holder of Series A Preferred Stock at the close of business on such Distribution Record Date shall be entitled to the distribution payable on such shares on the corresponding Distribution Payment Date notwithstanding the redemption of such shares before the Distribution Payment Date. Except as provided in the previous sentence, the Corporation shall make no payment or allowance for unpaid distributions, whether or not in arrears, on Series A Preferred Stock for which a notice of redemption has been given.

(f) The following provisions set forth the procedures for redemption.

(i) Notice of redemption will be mailed by the Corporation, postage prepaid, no less than 30 nor more than 60 calendar days immediately preceding the redemption date, addressed to the respective holders of record of the Series A Preferred Stock to be redeemed at their respective addresses as they appear on the stock transfer records of the Corporation. No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceedings for the redemption of any Series A Preferred Stock except as to the holder to whom notice was defective or not given.

(ii) In addition to any information required by law or by the applicable rules of any exchange upon which the Series A Preferred Stock may be listed or admitted to trading, each notice shall state: (A) the redemption date; (B) the redemption price; (C) the number of Series A Preferred Stock to be redeemed; (D) the place or places where the holders of Series A Preferred Stock may surrender certificates for payment of the redemption price; and (E) that distributions on the Series A Preferred Stock to be redeemed will cease to accrue on the redemption date. If less than all of the Series A Preferred Stock held by any holder are to be redeemed, the notice mailed to each holder shall also specify the number of Series A Preferred Stock held by such holder to be redeemed.

(iii) On or after the redemption date, each holder of Series A Preferred Stock to be redeemed shall present and surrender the certificates representing his Series A Preferred Stock to the Corporation at the place designated in the notice of redemption and thereupon the redemption price of such shares (including all accrued and unpaid distributions up to the redemption date) shall be paid to or on the order of the person whose name appears on such certificate representing Series A Preferred Stock as the owner thereof and each surrendered certificate shall be canceled. If fewer than all the shares represented by any such certificate representing Series A Preferred Stock are to be redeemed, a new certificate shall be issued representing the unredeemed shares.

(iv) From and after the redemption date (unless the Corporation defaults in payment of the redemption price), all distributions on the Series A Preferred Stock designated for redemption and all rights of the holders thereof, except the right to receive the redemption price thereof and all accrued and unpaid distributions up to the redemption date, shall terminate with respect to such shares and such shares shall not thereafter be transferred (except with the consent of the Corporation) on the Corporation's stock transfer records, and such shares shall not be deemed to be outstanding for any purpose whatsoever. At its election, the Corporation, prior to a redemption date, may irrevocably deposit the redemption price (including accrued and unpaid distributions to the redemption date) of the Series A Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company, in which case the redemption notice to holders of the Series A Preferred Stock to be redeemed shall (A) state the date of such deposit, (B) specify the office of such bank or trust company as the place of payment of the redemption price and (C) require such holders to surrender the certificates representing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the redemption date) against payment of the redemption price (including all accrued and unpaid distributions to the redemption date). Any monies so deposited which remain unclaimed by the holders of the Series A Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation.

(g) Any Series A Preferred Stock that shall at any time have been redeemed shall, after such redemption, have the status of authorized but unissued Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board of Directors.

(6) Voting Rights.

(a) Holders of the Series A Preferred Stock shall not have any voting rights, except as set forth below.

Whenever distributions on the Series A Preferred Stock are in arrears for six or more consecutive quarterly periods (a "Preferred Distribution Default"), the holders of Series A Preferred Stock (voting together as a single class with all other equity securities of the Corporation upon which like voting rights have been conferred and are exercisable ("Parity Preferred Stock")) shall be entitled to elect a total of two additional directors to the Corporation's Board of Directors (the "Preferred Stock Directors") at a special meeting called by the holders of record of at least 10% of the outstanding shares of Series A Preferred Stock (unless such request is received less than 90 calendar days before the date fixed for the next annual or special meeting of stockholders) or, if the request for a special meeting is received by the Corporation less than 90 calendar days before the date fixed for the next annual or special meeting of stockholders, at the next annual meeting of stockholders, and at each subsequent annual meeting until all distributions accrued on the Series A Preferred Stock for the past distribution periods and the then current distribution period shall have been fully paid or declared and a sum sufficient for the payment thereof set aside for payment. On any matter in which the holders of Series A Preferred Stock are entitled to vote (as expressly provided herein or as may be required by law), including any action by written consent, each share of Series A Preferred Stock shall have one vote per share, except that when shares of any other series of preferred stock of the Corporation shall have the right to vote with the Series A Preferred Stock as a single class on any matter, then the Series A Preferred Stock and such other series shall have with respect to such matters one vote per \$25.00 of stated liquidation preference.

(b) If and when all accrued distributions and the distribution for the then current distribution period on the Series A Preferred Stock shall have been paid in full or declared and a sum sufficient for the payment thereof set aside for payment in full, the holders of Series A Preferred Stock shall be divested of the voting rights set forth in clause (a) above (subject to vesting in the event of each and every Preferred Distribution Default) and, if all accrued distributions and the distribution for the then current distribution period have been paid in full or declared by the Board of Directors and set aside for payment in full on all other series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, the term of office of each Preferred Stock Director so elected shall terminate. Any Preferred Stock Director may be removed at any time with or without cause by the vote or consent of, and shall not be removed otherwise than by the vote of, the holders of a majority of the outstanding Series A Preferred Stock when they have the voting rights set forth in clause (a) above and all other series of Parity Preferred Stock (voting as a single class). So long as a Preferred Distribution Default shall continue, any vacancy in the office of a Preferred Stock Director may be filled by written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of a majority of the outstanding Series A Preferred Stock when they have the voting rights set forth in clause (a) above and all other series of Parity Preferred Stock (voting as a single class). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(c) So long as any Series A Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote or consent of the holders of at least two-thirds of the Series A Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting (such series voting separately as a class), (i) authorize, create or increase the authorized or issued amount of any class or series of equity securities ranking senior to the outstanding Series A Preferred Stock with respect to the payment of distributions or the distribution of assets upon voluntary or involuntary liquidation, dissolution or winding up of the Corporation or reclassify any authorized equity securities of the Corporation into any such senior equity securities, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such senior equity securities; or (ii) amend, alter or repeal the provisions of the Charter (including these Articles Supplementary), whether by merger or consolidation (in either case, an "Event") or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series A Preferred Stock; provided, however, that with respect to any such amendment, alteration or repeal of the provisions of the Charter (including these Articles Supplementary) upon the occurrence of an Event, so long as shares of the Series A Preferred Stock remain outstanding with the terms thereof materially unchanged in any adverse respect, taking into account that, upon the occurrence of an Event, the Corporation may not be the surviving entity and such surviving entity may thereafter be the issuer of the Series A Preferred Stock, the occurrence of any such Event shall not be deemed to materially and adversely affect the rights, preferences or voting powers of the Series A Preferred Stock; and provided further that any increase in the amount of authorized Series A Preferred Stock or the creation or issuance of or increase in the amount of any other class or series of the Corporation's equity securities, in each case ranking on parity with or junior to the Series A Preferred Stock with respect to the payment of distributions and the distribution of assets upon voluntary or involuntary liquidation, dissolution or winding up of the Corporation, shall not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers of the Series A Preferred Stock.

(d) The foregoing voting provisions shall not apply if, at or prior to the time when the action with respect to which such vote or consent would otherwise be required shall be effected, all outstanding Series A Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been deposited in trust to effect such redemption.

(7) Conversion. The Series A Preferred Stock is not convertible into or exchangeable for any other property or securities of the Corporation.

(8) Ownership Limitations. The provisions of this Section 8 shall apply with respect to the limitations on the ownership and acquisition of shares of Series A Preferred Stock.

(a) Definitions

For the purposes of this Section 8, the following terms shall have the following meanings:

“Act” shall mean the General Corporation Law of Maryland.

“Beneficial Ownership” shall mean ownership of Series A Preferred Stock by a Person who would be treated as an owner of such shares of Series A Preferred Stock either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h) of the Code. The terms “Beneficial Owner,” “Beneficially Owns” and “Beneficially Owned” shall have the correlative meanings.

“Charitable Trust” shall mean the trust created pursuant to subparagraph 8(c)(i) of this Section 8.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time. All section references to the Code shall include any successor provisions thereof as may be adopted from time to time.

“Constructive Ownership” shall mean ownership of Series A Preferred Stock by a Person who would be treated as an owner of such shares of Series A Preferred Stock either directly or constructively through the application of Section 318 of the Code, as modified by Section 856(d)(5) of the Code. The terms “Constructive Owner,” “Constructively Owns” and “Constructively Owned” shall have the correlative meanings.

“Holder” shall mean the record holder of shares of Series A Preferred Stock, or in the case of shares held by a Purported Record Transferee, the Charitable Trust.

“Initial Date” shall mean the date upon which the Corporation issues the Series A Preferred Stock.

“IRS” shall mean the United States Internal Revenue Service.

“Market Price” shall mean the last reported sales price reported on the New York Stock Exchange of Series A Preferred Stock on the trading day immediately preceding the relevant date, or if the Series A Preferred Stock is not then traded on the New York Stock Exchange, the last reported sales price of the Series A Preferred Stock on the trading day immediately preceding the relevant date as reported on any exchange or quotation system over which the Series A Preferred Stock may be traded, or if the Series A Preferred Stock is not then traded over any exchange or quotation system, then the market price of the Series A Preferred Stock on the relevant date as determined in good faith by the Board of Directors of the Corporation.

“Ownership Limit” shall mean 9.9% of the outstanding Series A Preferred Stock of the Corporation, and after any adjustment as set forth in subparagraph 8(i) of this Section 8, shall mean such greater percentage.

“Partner” shall mean any Person owning Units.

“Partnership” shall mean Cedar Shopping Centers Partnership, L.P., a Delaware limited partnership.

“Partnership Agreement” shall mean the Agreement of Limited Partnership of the Partnership, of which the Corporation is the sole general partner, as amended, as such agreement may be further amended from time to time.

“Person” shall mean an individual, corporation, partnership, estate, trust, a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended; but does not include an underwriter which participates in a public offering of the Series A Preferred Stock provided that the ownership of Series A Preferred Stock by such underwriter would not result in the Corporation failing to qualify as a REIT.

“Purported Transferee” shall mean, with respect to any purported Transfer (or other event) which results in a violation of subparagraph 8(b) of this Section 8, the purported beneficial transferee or owner for whom the Purported Record Transferee would have acquired or owned shares of Series A Preferred Stock, if such Transfer had been valid under such subparagraph.

“Purported Record Transferee” shall mean, with respect to any purported Transfer which results in a violation of subparagraph 8(b) of this Section 8, the record holder of the Series A Preferred Stock if such Transfer had been valid under such subparagraph.

“REIT” shall mean a Real Estate Investment Trust under Section 856 of the Code.

“Restriction Termination Date” shall mean the first day on which the Board of Directors of the Corporation determines that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT.

“Transfer” shall mean any sale, issuance, transfer, gift, assignment, devise or other disposition of Series A Preferred Stock as well as any other event that causes any Person to Beneficially Own or Constructively Own Series A Preferred Stock (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Series A Preferred Stock or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Series A Preferred Stock), whether voluntary or involuntary, whether of record or beneficially or Beneficially or Constructively (including but not limited to transfers of interests in other entities which result in changes in Beneficial or Constrictive Ownership of Series A Preferred Stock), and whether by operation of law or otherwise.

“Trustee” shall mean the Corporation as trustee for the Charitable Trust, and any successor trustee appointed by the Corporation.

“Units” shall mean the units into which partnership interests of the Partnership are divided, and as the same may be adjusted, as provided in the Partnership Agreement.

(b) Restriction on Ownership and Transfer.

(i) Except as provided in subparagraph 8(k) of this Section 8, from the Initial Date and prior to the Restriction Termination Date, no Person shall Beneficially Own shares of Series A Preferred Stock in excess of the Ownership Limit.

(ii) Except as provided in subparagraph 8(k) of this Section 8, from the Initial Date and prior to the Restriction Termination Date, any Transfer that, if effective, would result in any Person Beneficially Owning Series A Preferred Stock in excess of the Ownership Limit shall be void ab initio as to the Transfer of such shares of Series A Preferred Stock which would be otherwise Beneficially Owned by such Person in excess of the Ownership Limit; and the Purported Transferee shall acquire no rights in such shares of Series A Preferred Stock.

(iii) Except as provided in subparagraph 8(k) of this Section 8, from the Initial Date and prior to the Restriction Termination Date, any Transfer that, if effective, would result in the Series A Preferred Stock being beneficially owned by less than 100 Persons (determined without reference to any rules of attribution) shall be void ab initio as to the Transfer of such shares of Series A Preferred Stock which would be otherwise beneficially owned by the transferee; and the intended transferee shall acquire no rights in such shares of Series A Preferred Stock.

(iv) Notwithstanding any other provisions contained in this Section 8, from the Initial Date and prior to the Restriction Termination Date, any Transfer or other event that, if effective, would result in the Corporation being “closely held” within the meaning of Section 856(h) of the Code, or would otherwise result in the Corporation failing to qualify as a REIT (including, but not limited to, a Transfer or other event that would result in the Corporation owning (directly or Constructively) an interest in a tenant that is described in Section

856(d)(2)(B) of the Code if the income derived by the Corporation from such tenant would cause the Corporation to fail to satisfy, any of the gross income requirements of Section 856(c) of the Code), shall be void ab initio as to the Transfer of the shares of Series A Preferred Stock which would cause the Corporation to be "closely held" within the meaning of Section 856(h) of the Code or would otherwise result in the Corporation failing to qualify as a REIT; and the intended transferee or owner or Constructive or Beneficial Owner shall acquire or retain no rights in such shares of Series A Preferred Stock.

(c) Effect of Transfer in Violation of Subparagraph 8(b).

(i) If, notwithstanding the other provisions contained in this Section 8, at any time after the Initial Date and prior to the Restriction Termination Date, there is a purported Transfer, or change in the capital structure of the Corporation, or other event such that one or more of the restrictions on ownership and transfers described in subparagraph 8(b) above has been violated, then the shares of Series A Preferred Stock being Transferred (or in the case of an event other than a Transfer, the shares owned or Constructively Owned or Beneficially Owned) which would cause one or more of the restrictions on ownership or transfer to be violated (rounded up to the nearest whole share) (the "Trust Shares"), shall automatically be transferred to the Corporation, as Trustee of a trust (the "Charitable Trust") for the exclusive benefit of The American Cancer Society (the "Designated Charity"), an organization described in Section 170(b)(1)(A) and 170(c) of the Code. The Purported Transferee shall have no rights in such Trust Shares.

(ii) The Corporation, as Trustee of the Charitable Trust, may transfer the shares held in such trust to a Person whose ownership of the shares will not result in a violation of the ownership restrictions (a "Permitted Transferee"). If such a transfer is made, the interest of the Designated Charity will terminate and proceeds of the sale will be payable to the Purported Transferee and to the Designated Charity. The Purported Transferee will receive the lesser of (1) the price paid by the Purported Transferee for the shares or, if the Purported Transferee did not give value for the shares, the Market Price of the shares on the day of the event causing the shares to be held in trust, and (2) the price per share received by the Corporation, as Trustee, from the sale or other disposition of the shares held in trust. The Designated Charity will receive any proceeds in excess of the amount payable to the Purported Transferee. The Purported Transferee will not be entitled to designate a Permitted Transferee.

(iii) All stock held in the Charitable Trust will be deemed to have been offered for sale to the Corporation or its designee for a 90-day period, at the lesser of the price paid for that stock by the Purported Transferee and the Market Price on the date that the Corporation accepts the offer. This period will commence on the date of the violative transfer, if the Purported Transferee gives notice to the Corporation of the transfer, or the date that the Board of Directors of the Corporation determines that a violative transfer occurred, if no such notice is provided.

(iv) Any dividend or distribution paid prior to the discovery by the Corporation that shares of Series A Preferred Stock have been transferred in violation of subparagraph 8(b) of this Section 8, shall be repaid to the Corporation upon demand and shall be held in trust for the Designated Charity. Any dividend or distribution declared but unpaid shall be rescinded as void ab initio with respect to such shares of stock.

(v) In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, the Designated Charity shall be entitled to receive, ratably with each other holder of Series A Preferred Stock, that portion of the assets of the Corporation available for distribution to its stockholders as the number of Trust Shares bears to the total number of shares of Series A Preferred Stock then outstanding (including the Trust Shares). The Corporation, as Trustee, or if the Corporation shall have been dissolved, any trustee appointed by the Corporation prior to its dissolution, shall distribute to the Designated Charity, when determined (or if not determined, or only partially determined, ratably to the other holders of Series A Preferred Stock who have been determined and the Designated Charity), any such assets received in respect of the Trust Shares in any liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation.

(vi) The Purported Transferee will not be entitled to vote any Series A Preferred Stock it attempts to acquire, and any stockholder vote will be rescinded if a Purported Transferee votes and the stockholder vote would have been decided differently if such Purported Transferee's vote was not counted.

(d) Remedies for Breach. If the Board of Directors or its designees shall at any time determine in good faith that a Transfer or other event has taken place in violation of subparagraph 8(b) of this Section 8 or that a Person intends to acquire or has attempted to acquire beneficial ownership (determined without reference to any rules of attribution), Beneficial Ownership or Constructive Ownership of any shares of Series A Preferred Stock in violation of subparagraph 8(b) of this Section 8, the Corporation shall inform the Purported Transferee of its obligations pursuant to this Section 8, including such Purported Transferee's obligations to pay over to the Charitable Trust any and all dividends received with respect to the Trust Shares. In addition, the Board of Directors or its designees shall take such action as it deems advisable to refuse to give effect or to prevent such Transfer, including, but not limited to, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer and to recover any dividend erroneously paid and declaring any votes erroneously cast to be retroactively invalid; provided, however, that any Transfers (or, in the case of events other than a Transfer, ownership or Constructive Ownership or Beneficial Ownership) in violation of subparagraph 8(b) of this Section 8 shall automatically result in a transfer to the Charitable Trust as described in subparagraph 8(c), irrespective of any action (or non-action) by the Board of Directors.

(e) Notice of Restricted Transfer. Any Person who acquires or attempts to acquire shares of Series A Preferred Stock in violation of subparagraph 8(b) of this Section 8, or any Person who is a Purported Transferee, shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer or attempted Transfer on the Corporation's status as a REIT.

(f) Owners Required To Provide Information. From the Initial Date and prior to the Restriction Termination Date each Person who is a beneficial owner or Beneficial Owner or Constructive Owner of Series A Preferred Stock and each Person (including the stockholder of record) who is holding Series A Preferred Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information that the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT.

(g) Remedies Not Limited. Nothing contained in this Section 8 shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders by preservation of the Corporation's status as a REIT.

(h) Ambiguity. In the case of an ambiguity in the application of any of the provisions of subparagraph 8 of this Section 8, including any definition contained in subparagraph 8(a), the Board of Directors shall have the power to determine the application of the provisions of this subparagraph 8 with respect to any situation based on the facts known to it.

(i) Modification of Ownership Limit. Subject to the limitations provided in subparagraph 8(j), the Board of Directors may from time to time increase the Ownership Limit and shall file Articles Supplementary with the State Department of Assessment and Taxation of Maryland to evidence such increase.

(j) Limitations on Modifications.

(i) From the Initial Date and prior to the Restriction Termination Date, the Ownership Limit may not be increased if, after giving effect to such increase, five Persons who are Beneficial Owners of Series A Preferred Stock could (taking into account the Ownership Limit) Beneficially Own, in the aggregate, more than 49.5% of the outstanding Series A Preferred Stock.

(ii) Prior to the modification of any Ownership Limit pursuant to subparagraph 8(i) of this Section 8, the Board of Directors of the Corporation may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

(k) Exceptions.

(i) The Board of Directors, in its sole discretion, may exempt a Person from the Ownership Limit, if such Person is not an individual for purposes of Section 542(a)(2) of the Code and the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficial Ownership of such shares of Series A Preferred Stock will violate the Ownership Limit, and agrees that any violation of such representations or undertaking (or other action which is contrary to the restrictions contained in this subparagraph 8 of this Section 8) or attempted violation will result in such shares of Series A Preferred Stock automatically being transferred to the Charitable Trust.

(ii) Prior to granting any exception pursuant to subparagraph 8(k)(i) of this Section 8, the Board of Directors may require a ruling from the IRS, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

(l) Legend. Each certificate for shares of Series A Preferred Stock shall bear legends substantially to the effect of the following:

“The Corporation is authorized to issue two classes of capital stock which are designated as Common Stock and Preferred Stock. The Board of Directors is authorized to determine the preferences, limitations and relative rights of the Preferred Stock before the issuance of any Preferred Stock. The Corporation will furnish, without charge, to any stockholder making a written request therefor, a copy of the Corporation’s charter and a written statement of the designations, relative rights, preferences and limitations applicable to each such class of stock. Requests for the Corporation’s charter and such written statement may be directed to Cedar Shopping Centers, Inc., 44 South Bayles Avenue, Port Washington, New York 11050, Attention: Secretary.

The shares of Series A Preferred Stock represented by this certificate are subject to restrictions on ownership and Transfer for the purpose of the Corporation’s maintenance of its status as a Real Estate Investment Trust under the Code. No Person may Beneficially Own shares of Series A Preferred Stock in excess of 9.9% (or such greater percentage as may be determined by the Board of Directors of the Corporation) of the outstanding Series A Preferred Stock of the Corporation with certain exceptions set forth in the Corporation’s charter. Any Person who attempts to Beneficially Own shares of Series A Preferred Stock in excess of the above limitations must immediately notify the Corporation. All capitalized terms in this legend have the meanings defined in the Corporation’s charter. Transfers in violation of the restrictions described above may be void ab initio.

In addition, upon the occurrence of certain events, if the restrictions on ownership are violated, the shares of Series A Preferred Stock represented hereby may be automatically exchanged for Trust Shares which will be held in trust by the Corporation. The Corporation has an option to acquire Trust Shares under certain circumstances. The Corporation will furnish to the holder hereof upon request and without charge a complete written statement of the terms and conditions of the Trust Shares. Requests for such statement may be directed to Cedar Shopping Centers, Inc., 44 South Bayles Avenue, Port Washington, New York 11050, Attention: Secretary.”

(m) Severability. If any provision of this Section 8 or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

(9) Status. Upon any redemption of shares of Series A Preferred Stock, the shares of Series A Preferred Stock which are redeemed will be reclassified as authorized and unissued shares of Preferred Stock, and the number of shares of Series A Preferred Stock which the Corporation has the authority to issue will be decreased by the redemption of shares of Series

A Preferred Stock, so that the shares of Series A Preferred Stock which were redeemed may not be reissued.

(10) Exclusion of Other Rights. The shares of Series A Preferred Stock shall not have any preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption other than those specifically set forth in these Articles Supplementary. The shares of Series A Preferred Stock shall have no preemptive or subscription rights.

(11) Headings of Subdivisions. The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

(12) Severability of Provisions. If any preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of the Series A Preferred Stock set forth in the Charter is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of Series A Preferred Stock set forth in the Charter which can be given effect without the invalid, unlawful or unenforceable provision thereof shall, nevertheless, remain in full force and effect, and no preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of Series A Preferred Stock herein set forth shall be deemed dependent upon any other provision thereof unless so expressed therein.

SECOND : The Shares have been classified and designated by the Board of Directors under the authority contained in the Charter.

THIRD : These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FOURTH : The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

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IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 26th of July, 2004.

ATTEST:

CEDAR SHOPPING CENTERS, INC.

/s/ STUART H. WIDOWSKI
Stuart H. Widowski, Secretary

/s/ LEO S. ULLMAN
Leo S. Ullman, President

CEDAR SHOPPING CENTERS, INC.

ARTICLES SUPPLEMENTARY

87/8% Series A Cumulative Redeemable Preferred Stock

Cedar Shopping Centers, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "Department") that:

FIRST: By Articles Supplementary filed with the Department on July 27, 2004 (the "July 2004 Articles Supplementary"), the Corporation classified and designated 2,350,000 shares of Preferred Stock (as defined in the Charter (defined below)) as shares of 87/8% Series A Cumulative Redeemable Preferred Stock (the "Series A Preferred Stock"), and set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms and conditions of redemption and other terms and conditions of such Series A Preferred Stock, all as set forth in the July 2004 Articles Supplementary.

SECOND: Under a power contained in Article IV of the Articles of Incorporation of the Corporation, as amended and supplemented (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by resolution duly adopted at a meeting duly called and held on April 15, 2004 (the "Board Resolutions"), and the Pricing Committee of the Board of Directors established by the Board Resolutions, by resolution duly adopted on March 30, 2005, classified and designated an additional 1,200,000 shares of Preferred Stock as Series A Preferred Stock (the "Additional Shares of Series A Preferred Stock") and provided for the issuance thereof. The Additional Shares of Series A Preferred Stock form a single series with and have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the Series A Preferred Stock established pursuant to the July 2004 Articles Supplementary, all as set forth in the July 2004 Articles Supplementary, except as provided herein. Upon any restatement of the Charter, Sections 1 and 2 of this Article SECOND shall become part of Article IV of the Charter, with such changes in enumeration as are necessary to complete such restatement.

Section 1. Number, Preferences and Other Rights. The number of Additional Shares of Series A Preferred Stock shall be 1,200,000 and shall form a single series with the 2,350,000 shares of Series A Preferred Stock established pursuant to the July 2004 Articles Supplementary for a total of 3,550,000 shares of Preferred Stock classified and designated as shares of Series A Preferred Stock. The Additional Shares of Series A Preferred Stock shall have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the 2,350,000 shares of Series A Preferred Stock established pursuant to the July 2004 Articles Supplementary, all as set forth in the July 2004 Articles Supplementary, except as provided herein. The par value of the Additional Shares of Series A Preferred Stock shall be \$.01 per share.

Section 2. Distributions. Holders of the Additional Shares of Series A Preferred Stock shall be entitled to receive the full amount of all distributions payable in respect of the Series A Preferred Stock from and after the date of original issuance of the Additional Shares of Series A Preferred Stock but shall not be entitled to receive any distributions paid or payable with regard to Series A Preferred Stock prior to the date of such issuance.

THIRD: The Additional Shares of Series A Preferred Stock have been classified and designated by the Board of Directors under the authority contained in the Charter.

FOURTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FIFTH: The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 1st of April, 2005.

ATTEST:

CEDAR SHOPPING CENTERS, INC.

Lise Oelbaum, Assistant Secretary

Leo S. Ullman, President

**ARTICLES OF AMENDMENT
OF ARTICLES OF INCORPORATION
OF
CEDAR SHOPPING CENTERS, INC.**

Cedar Shopping Centers, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

The Articles of Amendment presently being filed increase the number of authorized shares of Common Stock and Preferred Stock and the aggregate value thereof. The Corporation is presently authorized to issue 55 million shares, consisting of 50 million shares of Common Stock with a par value of \$.06, amounting in the aggregate to par value of \$3,000,000, and 5 million shares of Preferred Stock with a par value of \$.01 per share, amounting in the aggregate to par value of \$50,000. The Articles of Amendment increase the number of authorized shares of Common Stock to 150 million shares and the number of authorized shares of Preferred Stock to 12.5 million shares.

1. The Articles of Incorporation of the Corporation, filed with the State Department of Assessments and Taxation of Maryland on June 12, 1998, as amended, are hereby amended as follows:

(i) The first paragraph of Article IV shall be deleted in its entirety and replaced with the following:

Capital Stock

A. Authorized Shares. The total number of shares of all classes of capital stock that the Corporation shall have authority to issue is 162.5 million shares, consisting of 150 million shares of Common Stock with a par value of \$.06 per share (the "Common Stock"), amounting in the aggregate to par value of \$9,000,000 and 12.5 million shares of Preferred Stock with a par value of \$.01 per share (the "Preferred Stock"), amounting in the aggregate to par value of \$125,000.

(ii) The first sentence of Article IV C shall be amended to read as follows:

"C. Preferred Stock. The Board of Directors of the Corporation by resolution is hereby expressly vested with authority to provide for the issuance of the shares of Preferred Stock in one or more classes or one or more series, with such voting powers, full or limited, or no voting powers, and with such designations, preferences and relative, participating, optional and other special rights and qualifications, limitations or restrictions thereof, if any, as shall be stated and expressed in the resolution or resolutions providing for such issue adopted by the Board of Directors; provided, however, (1) the preferred stock will not be used as, or in conjunction with, an anti-takeover defense (including potential mergers, in connection with an existing or future shareholder rights plan,

or by designating terms, or issuing shares in transactions for the purposes of aiding management in defending against an unsolicited bid for control of the Company) unless approved by the shareholders at such time; (2) the preferred stock will not be issued to an individual or group for the purpose of creating a block of voting power to support management on controversial issues without receiving shareholder approval; and (3) if the preferred stock is to have voting rights, the shares will have the same voting rights as the common stock (including upon conversion)".

2. The Amendment to the Articles of Incorporation of the Corporation has been advised by the Board of Directors and approved by the holders of at least two-thirds of the shares of the Corporation's Common Stock entitled to vote at the Corporation's Special Meeting held on September 12, 2007.

IN WITNESS WHEREOF, we the undersigned President and Secretary hereby swear under penalties of perjury that the adoption of the foregoing Articles of Amendment of Articles of Incorporation of Cedar Shopping Centers, Inc. is a corporate act of Cedar Shopping Centers, Inc., and that we have caused these Articles of Amendment to be executed and attested this 12th day of September, 2007.

CEDAR SHOPPING CENTERS, INC.

By: _____
Leo S. Ullman, President

Attest:

Stuart H. Widowski, Secretary

CEDAR SHOPPING CENTERS, INC.

ARTICLES SUPPLEMENTARY

87/8% Series A Cumulative Redeemable Preferred Stock

Cedar Shopping Centers, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "Department") that:

Article I. FIRST: By Articles Supplementary filed with the Department on July 27, 2004 (the "July 2004 Articles Supplementary"), the Corporation classified and designated 2,350,000 shares of Preferred Stock (as defined in the Charter (defined below)) as shares of 87/8% Series A Cumulative Redeemable Preferred Stock (the "Series A Preferred Stock"), and set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption and other terms and conditions of such Series A Preferred Stock. By Articles Supplementary filed with the Department on April 1, 2005 (the "April 2005 Articles Supplementary"), the Corporation classified and designated an additional 1,200,000 shares of Preferred Stock as Series A Preferred Stock, forming a single series with and having the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the Series A Preferred Stock established pursuant to the July 2004 Articles Supplementary.

Article II. SECOND: Under a power contained in Article IV of the Articles of Incorporation of the Corporation, as amended and supplemented (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by resolutions duly adopted at meetings duly called and held on August 16, 2010 and August 18, 2010 (the "Board Resolutions"), and the Pricing Committee of the Board of Directors established by the Board Resolutions, by resolution duly adopted on August 18, 2010, classified and designated an additional 2,850,000 shares of Preferred Stock as Series A Preferred Stock (the "Additional Shares of Series A Preferred Stock") and provided for the issuance thereof. The Additional Shares of Series A Preferred Stock form a single series with and have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the Series A Preferred Stock established pursuant to the July 2004 Articles Supplementary and the April 2005 Articles Supplementary, all as set forth in the July 2004 Articles Supplementary and the April 2005 Articles Supplementary. Upon any restatement of the Charter, Sections 1 and 2 of this Article SECOND shall become part of Article IV of the Charter, with such changes in enumeration as are necessary to complete such restatement.

Section 1. Number, Preferences and Other Rights. The number of Additional Shares of Series A Preferred Stock shall be 2,850,000 and shall form a single series with the 3,550,000 shares of Series A Preferred Stock established pursuant to the July 2004 Articles Supplementary and the April 2005 Articles Supplementary for a total of 6,400,000 shares of Preferred Stock classified and designated as shares of Series A Preferred Stock. The Additional Shares of Series A Preferred Stock shall have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the 3,550,000 shares of Series A Preferred Stock established pursuant to the July 2004 Articles Supplementary and the April 2005 Articles Supplementary, all as set forth in the July 2004 Articles Supplementary and the April 2005 Articles Supplementary. The par value of the Additional Shares of Series A Preferred Stock shall be \$.01 per share.

Section 2. Distributions. Holders of the Additional Shares of Series A Preferred Stock shall be entitled to receive the full amount of all distributions payable in respect of the Series A Preferred Stock from the Distribution Payment Date immediately preceding the date of original issuance of the Additional Shares of Series A Preferred Stock but shall not be entitled to receive any distributions paid or payable with regard to Series A Preferred Stock prior to such Distribution Payment Date.

THIRD: The Additional Shares of Series A Preferred Stock have been classified and designated by the Board of Directors under the authority contained in the Charter.

FOURTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FIFTH: The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 18th of August, 2010.

ATTEST:

/s/ Stuart H. Widowski
Stuart H. Widowski, Secretary

CEDAR SHOPPING CENTERS, INC.

/s/ Leo S. Ullman
Leo S. Ullman, President

ARTICLES OF AMENDMENT

(1)

(2) Cedar Shopping Centers, Inc., _____, a Maryland corporation hereby certifies to the State Department of Assessments and Taxation of Maryland that:

(3) The charter of the corporation is hereby amended as follows:

By striking out Article I of the Articles of Incorporation and inserting in lieu thereof the following:

ARTICLE I

Name

The name of the Corporation shall be Cedar Realty Trust, Inc. (the "Corporation").

The effective date of this name change amendment shall be November 9, 2011.

This amendment of the charter of the corporation has been approved by

(4) The Board of Directors

We the undersigned President and Secretary swear under penalties of perjury that the foregoing is a corporate act.

(5) /s/ Stuart Widowski _____

(5) /s/ Bruce J. Schanzer _____

(6) Return address of filing party:

CEDAR REALTY TRUST, INC.

ARTICLES SUPPLEMENTARY

7.25% Series B Cumulative Redeemable Preferred Stock

Cedar Realty Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Article IV of the Articles of Incorporation of the Corporation, as amended and supplemented (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by resolution duly adopted at a meeting duly called and held on May 2, 2012 (the "Board Resolutions"), and the Pricing Committee of the Board of Directors established by the Board Resolutions, by resolution duly adopted at a meeting duly called and held on May 14, 2012, classified and designated 400,000 shares (the "Shares") of Preferred Stock (as defined in the Charter) as shares of 7.25% Series B Cumulative Redeemable Preferred Stock, with the preferences, conversions and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as follows and provided for the issuance thereof. Upon any restatement of the Charter, Sections 1 through 13 of this Article FIRST shall become part of Article IV of the Charter, with such changes in enumeration as are necessary to complete such restatement.

(1) **Designation and Number.** A series of shares of Preferred Stock, designated as the "7.25% Series B Cumulative Redeemable Preferred Stock" (the "Series B Preferred Stock"), is hereby established. The number of shares of Series B Preferred Stock shall be 400,000. The par value of the Series B Preferred Stock shall be \$.01 per share.

(2) **Rank.** The Series B Preferred Stock will, with respect to distribution rights and rights upon liquidation, dissolution or winding up of the Corporation, rank (a) senior to all classes or series of Common Stock (as defined in the Charter), and to all equity securities the terms of which provide that such equity securities shall rank junior to the Series B Preferred Stock; (b) on parity with the Series A Preferred Stock (as defined in the Charter) and with all equity securities issued by the Corporation the terms of which specifically provide that such equity securities rank on parity with the Series B Preferred Stock; and (c) junior to all equity securities issued by the Corporation the terms of which specifically provide that such equity securities rank senior to the Series B Preferred Stock. The term "equity securities" shall not include convertible debt securities.

(3) **Distributions.**

(a) Holders of Series B Preferred Stock shall be entitled to receive, when and if declared by the Board of Directors, out of funds legally available for payment of distributions, cumulative preferential cash distributions at the rate of 7.25% of the liquidation preference per annum (which is equivalent to a fixed annual amount of \$1.8125 per share of Series B Preferred Stock). Such distributions shall accrue and cumulate from the date of original issuance (May 22, 2012) and shall be payable quarterly in arrears on the 20th day of February, May, August and November of each year or, if not a business day, the next succeeding business

day (each a "Distribution Payment Date"). The first distribution on the Series B Preferred Stock shall be paid on August 20, 2012, will be for more than a full quarter and will reflect distributions accumulated from the date of original issuance through August 20, 2012. Any distribution payable on the Series B Preferred Stock for any partial distribution period shall be prorated and computed on the basis of a 360-day year consisting of twelve 30-day months. Distributions shall be payable to holders of record as they appear in the stock records of the Corporation at the close of business on the applicable distribution record date, which shall be a date designated by the Board of Directors for the payment of distributions that is not more than 60 nor less than 10 calendar days immediately preceding such Distribution Payment Date (each, a "Distribution Record Date").

(b) No distribution on the Series B Preferred Stock shall be authorized or declared or paid or set apart for payment by the Corporation at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness or any other of the Corporation's preferred stock, prohibits such authorization, declaration, payment or setting apart for payment or provides that such authorization, declaration, payment or setting apart for payment would constitute a breach or default thereunder, or if such authorization, declaration, payment or setting apart for payment shall be restricted or prohibited by law.

Notwithstanding anything to the contrary contained herein, distributions on the Series B Preferred Stock shall accrue and cumulate whether or not the Corporation has earnings, whether or not there are funds legally available for the payment of such distributions and whether or not such distributions are declared by the Board of Directors. Accrued but unpaid distributions on the Series B Preferred Stock shall cumulate as of the Distribution Payment Date on which they first become payable or on the date of redemption, as the case may be. No interest shall be payable in respect of any distribution on the Series B Preferred Stock that may be in arrears.

(c) Except as provided in the following sentence, if any Series B Preferred Stock are outstanding, no distributions, other than distributions in kind of the Corporation's Common Stock or other shares of the Corporation's equity securities ranking junior to the Series B Preferred Stock as to distributions and upon liquidation, may be declared or paid or set apart for payment, and no other distribution may be declared or made upon, the Corporation's Common Stock, the Series A Preferred Stock or any other shares of equity securities of the Corporation of any other class or series ranking, as to distributions and upon liquidation, on parity with or junior to the Series B Preferred Stock unless full cumulative distributions for all past distribution periods have been or contemporaneously are declared and paid or declared and a sum sufficient is set apart for such payment on the Series B Preferred Stock for all past distribution periods. When distributions are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series B Preferred Stock, the Series A Preferred Stock and all other equity securities ranking on parity, as to distributions, with the Series B Preferred Stock, all distributions declared upon the Series B Preferred Stock, the Series A Preferred Stock and any other equity securities ranking on parity, as to distributions, with the Series B Preferred Stock shall be authorized pro rata so that the amount of distributions authorized per share of Series B Preferred Stock, per share of Series A Preferred Stock and each such other equity security shall in all cases bear to each other the same ratio that accrued

distributions per share of Series B Preferred Stock, per share of Series A Preferred Stock and such other equity security (which shall not include any accumulation in respect of unpaid distributions for prior distribution periods if such other equity securities do not have a cumulative distribution) bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any distribution payment or payments on Series B Preferred Stock which may be in arrears.

(d) Except as provided in subparagraph (c) of this Section 3, unless full cumulative distributions on the Series B Preferred Stock have been or contemporaneously are declared and paid for all past distribution periods or declared and a sum sufficient is set apart for payment for all past distribution periods, no Common Stock, Series A Preferred Stock or any other shares of equity securities of the Corporation ranking junior to or on parity with the Series B Preferred Stock as to distributions or upon liquidation shall be redeemed, purchased or otherwise acquired for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any such shares) by the Corporation (except by conversion into or exchange for Common Stock or other shares of equity securities of the Corporation ranking junior to the Series B Preferred Stock as to distributions and amounts upon liquidation). The foregoing shall not prohibit any redemption, purchase or other acquisition by the Corporation of any class or series of equity securities of the Corporation for the purpose of enforcing restrictions on ownership contained in the Corporation's Charter (including these Articles Supplementary) or preserving the Corporation's status as a REIT (as defined in Section 8 hereof).

(e) Holders of Series B Preferred Stock shall not be entitled to any distribution, whether payable in cash, property or shares, in excess of full cumulative distributions on the Series B Preferred Stock as described above. Any distribution payment made on the Series B Preferred Stock, including any capital gain distributions, shall first be credited against the earliest accrued but unpaid distribution due with respect to the Series B Preferred Stock which remains payable.

(f) If, for any taxable year, the Corporation elects to designate as a "capital gain dividend" (as defined in Section 857 of the Code) any portion (the "Capital Gains Amount") of the dividends (as determined for federal income tax purposes) paid or made available for the year to holders of all series or classes of the Corporation's stock (the "Total Dividends"), then, except as otherwise required by applicable law, that portion of the Capital Gains Amount that shall be allocable to the holders of Series B Preferred Stock shall be in proportion to the amount that the total dividends (as determined for federal income tax purposes) paid or made available to the holders of the Series B Preferred Stock for the year bears to the Total Dividends. Except as otherwise required by applicable law, the Corporation will make a similar allocation with respect to any undistributed long-term capital gains of the Corporation which are to be included in its stockholders' long-term capital gains, based on the allocation of the Capital Gains Amount which would have resulted if such undistributed long-term capital gains has been distributed as "capital gains dividends" by the Corporation to its stockholders.

(4) Liquidation Preference.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation (referred to herein sometimes as a “liquidation”), the holders of Series B Preferred Stock then outstanding shall be entitled to receive out of the assets of the Corporation legally available for distribution to stockholders (after payment or provision for payment of all debts and other liabilities of the Corporation) the sum of (i) the liquidation preference of \$25.00 per share and (ii) an amount equal to any accrued and unpaid distributions (whether or not declared) to the date of payment, before any distribution of assets is made to holders of Common Stock (as defined in the Charter) or any equity securities that the Corporation may issue that rank junior to the Series B Preferred Stock as to liquidation rights.

(b) If, upon any such voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the assets of the Corporation are insufficient to make full payment to holders of the Series B Preferred Stock, the Series A Preferred Stock and any shares of other classes or series of equity securities of the Corporation ranking on parity with the Series B Preferred Stock as to liquidation rights, then the holders of the Series B Preferred Stock, the Series A Preferred Stock and all other such classes or series of equity securities ranking on parity with the Series B Preferred Stock as to liquidation rights shall share ratably in any distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

(c) Written notice of any such liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than 30 nor more than 60 calendar days immediately preceding the payment date stated therein, to each record holder of the Series B Preferred Stock at the respective addresses of such holders as the same shall appear on the share transfer records of the Corporation.

(d) After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series B Preferred Stock shall have no right or claim to any of the remaining assets of the Corporation.

(e) None of a consolidation or merger of the Corporation with or into another entity, the merger of another entity with or into the Corporation, a statutory share exchange by the Corporation or a sale, lease, transfer or conveyance of all or substantially all of the Corporation’s assets or business shall be considered a liquidation, dissolution or winding up of the Corporation.

(f) In determining whether a distribution (other than upon voluntary or involuntary dissolution) by dividend, redemption or other acquisition of shares of the Corporation or otherwise is permitted under Maryland law, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of the holders of Series B Preferred Stock will not be added to the Corporation’s total liabilities.

(5) Redemption.

(a) Except as otherwise set forth in this Section 5 and in Section 8, the Series B Preferred Stock is not redeemable prior to May 22, 2017, except that the Corporation will be entitled to redeem, purchase or acquire shares of Series B Preferred Stock in order to ensure that the Corporation remains qualified as a REIT (as defined in Section 8 hereof).

(b) On or after May 22, 2017 the Corporation, at its option, upon giving notice as provided below, may redeem the Series B Preferred Stock, in whole or from time to time in part, for cash, at a redemption price of \$25.00 per share, plus all accrued and unpaid distributions on such Series B Preferred Stock to, but not including, the date of redemption, whether or not declared (the "Optional Redemption Right").

(c) Upon the occurrence of a Change of Control (as defined below), the Corporation, at its option, upon giving notice as provided below, may redeem the Series B Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, at a redemption price of \$25.00 per share, plus all accrued and unpaid distributions on such Series B Preferred Stock to, but not including, the date of redemption, whether or not declared (the "Special Optional Redemption Right", and together with the Optional Redemption Right, the "Redemption Right").

(d) If fewer than all of the outstanding shares of Series B Preferred Stock are to be redeemed pursuant to the Redemption Right, the shares to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares).

(e) Notwithstanding anything to the contrary contained herein, unless full cumulative distributions on all shares of Series B Preferred Stock have been or contemporaneously are declared and paid for all past distribution periods or declared and a sum sufficient is set apart for payment for all past distribution periods, no shares of Series B Preferred Stock shall be redeemed unless all outstanding shares of Series B Preferred Stock are simultaneously redeemed. In addition, unless full cumulative distributions on all shares of Series B Preferred Stock have been or contemporaneously are declared and paid for all past distribution periods or declared and a sum sufficient is set apart for payment for all past distribution periods, the Corporation shall not purchase or otherwise acquire directly or indirectly any shares of Series B Preferred Stock or any other shares of equity securities of the Corporation ranking junior to or on parity with the Series B Preferred Stock as to distributions or upon liquidation (except by conversion into or exchange for shares of equity securities of the Corporation ranking junior to the Series B Preferred Stock as to distributions and upon liquidation). The restrictions in this Section 5 on redemptions, purchases and other acquisitions shall not prevent the redemption, purchase or acquisition by the Corporation of Preferred Stock of any series pursuant to Article IV of the Charter or Section 5(a) hereof, or otherwise in order to ensure that the Corporation remains qualified as a REIT for United States federal income tax purposes, or the purchase or acquisition of Series B Preferred Stock pursuant to a purchase or exchange offer made on the same terms to all holders of the Series B Preferred Stock.

(f) Immediately prior to any redemption of shares of Series B Preferred Stock, the Corporation shall pay, in cash, any accrued and unpaid distributions to, but

not including, the redemption date, whether or not declared, unless a redemption date falls after a Distribution Record Date and prior to the corresponding Distribution Payment Date, in which case each holder of Series B Preferred Stock at the close of business on such Distribution Record Date shall be entitled to the distribution payable on such shares on the corresponding Distribution Payment Date notwithstanding the redemption of such shares before the Distribution Payment Date. Except as provided in the previous sentence, the Corporation shall make no payment or allowance for unpaid distributions, whether or not in arrears, on Series B Preferred Stock for which a notice of redemption has been given.

(g) The following provisions set forth the procedures to exercise the Redemption Right:

(i) Notice of redemption will be mailed by the Corporation, postage prepaid, no less than 30 nor more than 60 calendar days immediately preceding the redemption date, addressed to the respective holders of record of the Series B Preferred Stock to be redeemed at their respective addresses as they appear on the stock transfer records of the Corporation. No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceedings for the redemption of any Series B Preferred Stock except as to the holder to whom notice was defective or not given.

(ii) In addition to any information required by law or by the applicable rules of any exchange upon which the Series B Preferred Stock may be listed or admitted to trading, each notice shall state: (A) the redemption date; (B) the redemption price, including, without limitation, a statement as to whether or not accumulated but unpaid distributions will be payable as part of the redemption price, or payable on the next Distribution Payment Date, to the record holder at the close of business on the relevant record date; (C) the number of Series B Preferred Stock to be redeemed; (D) the place or places where the holders of Series B Preferred Stock may surrender certificates for payment of the redemption price; (E) that distributions on the Series B Preferred Stock to be redeemed will cease to accrue on the redemption date; and (F) if the notice of redemption is mailed pursuant to the Special Optional Redemption Right, (i) that the Series B Preferred Stock is being redeemed pursuant to the Special Optional Redemption Right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control; and (ii) that the holders of the Series B Preferred Stock to which the notice relates will not be able to tender such Series B Preferred Stock for conversion in connection with the Change of Control and each share of Series B Preferred Stock tendered for conversion that is selected, prior to the Change of Control Conversion Date (as defined in subparagraph (b)(vi) of Section 7 below), for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date. If less than all of the Series B Preferred Stock held by any holder are to be redeemed, the notice mailed to each holder shall also specify the number of Series B Preferred Stock held by such holder to be redeemed. Any such redemption may be made conditional on such factors as may be determined by the Board of Directors and as set forth in the notice.

(iii) On or after the redemption date, each holder of Series B Preferred Stock to be redeemed shall present and surrender the certificates representing his Series B Preferred Stock to the Corporation at the place designated in the notice of redemption and thereupon the redemption price of such shares (including all accrued and unpaid distributions up to the redemption date) shall be paid to or on the order of the person whose name appears on such certificate representing Series B Preferred Stock as the owner thereof and each surrendered certificate shall be canceled. If fewer than all the shares represented by any such certificate representing Series B Preferred Stock are to be redeemed, a new certificate shall be issued representing the unredeemed shares.

(iv) From and after the redemption date (unless the Corporation defaults in payment of the redemption price), all distributions on the Series B Preferred Stock designated for redemption and all rights of the holders thereof, except the right to receive the redemption price thereof and all accrued and unpaid distributions up to the redemption date, shall terminate with respect to such shares and such shares shall not thereafter be transferred (except with the consent of the Corporation) on the Corporation's stock transfer records, and such shares shall not be deemed to be outstanding for any purpose whatsoever. At its election, the Corporation, prior to a redemption date, may irrevocably deposit the redemption price (including accrued and unpaid distributions to the redemption date) of the Series B Preferred Stock so called for redemption in trust for the holders thereof with a bank or trust company, in which case the redemption notice to holders of the Series B Preferred Stock to be redeemed shall (A) state the date of such deposit, (B) specify the office of such bank or trust company as the place of payment of the redemption price and (C) require such holders to surrender the certificates representing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the redemption date) against payment of the redemption price (including all accrued and unpaid distributions to the redemption date). Any monies so deposited which remain unclaimed by the holders of the Series B Preferred Stock at the end of two years after the redemption date shall be returned by such bank or trust company to the Corporation.

(h) Any Series B Preferred Stock that shall at any time have been redeemed shall, after such redemption, have the status of authorized but unissued Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board of Directors.

(i) If, prior to the Change of Control Conversion Date, the Corporation has provided or provides notice of redemption with respect to the Redemption Right in accordance with this Section 5, the holders of Series B Preferred Stock will not have the conversion right described in Section 7 below.

(j) For the purposes of this Section 5 and Section 7 below, a “Change of Control” is when, after the original issuance of the Series B Preferred Stock, the following have occurred and are continuing: (x) the acquisition by any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of the Corporation entitling that person to exercise more than 50% of the total voting power of all shares of the Corporation entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and (y) following the closing of any transaction referred to in clause (x), neither the Corporation nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts (“ADRs”) representing such securities) listed on the New York Stock Exchange (the “NYSE”), the NYSE Amex Equities (the “NYSE Amex”), or the NASDAQ Stock Market (the “NASDAQ”), or listed or quoted on an exchange or quotation system that is successor to the NYSE, the NYSE Amex or NASDAQ (each individually, a “National Market,” and collectively, the “National Markets”); or (z) a change of control occurs pursuant to the provisions of any shareholder rights plan that may be adopted by the Corporation.

(6) Voting Rights.

(a) Holders of the Series B Preferred Stock shall not have any voting rights, except as set forth below.

(b) Whenever (i) distributions on the Series B Preferred Stock are in arrears for six or more quarterly periods, whether or not consecutive (a “Preferred Distribution Default”), or (ii) once the Series B Preferred Stock becomes initially eligible for listing on a National Market, the Corporation fails to maintain such listing for the Series B Preferred Stock for 180 consecutive days or longer (a “Listing Default”), the holders of Series B Preferred Stock (voting together as a single class with the holders of Series A Preferred Stock and all other classes or series of Preferred Stock upon which like voting rights have been conferred and are exercisable (“Parity Preferred Stock”)) shall be entitled to elect a total of two additional directors to the Corporation’s Board of Directors (the “Preferred Stock Directors”), if not already elected by reason of similar types of provisions with respect to Preferred Stock Directors, at a special meeting called by the holders of record of at least 10% of the outstanding shares of Series B Preferred Stock or the record holders of at least 10% of the outstanding shares of Parity Preferred Stock (unless such request is received less than 90 calendar days before the date fixed for the next annual or special meeting of stockholders) or, if the request for a special meeting is received by the Corporation less than 90 calendar days before the date fixed for the next annual or special meeting of stockholders, at the next annual meeting of stockholders, and at each subsequent annual meeting of stockholders until (x) with respect to a Preferred Distribution Default, all distributions accrued on the Series B Preferred Stock for the past distribution periods shall have been fully paid or declared and a sum sufficient for the payment thereof set aside for payment, or (y) with respect to a Listing Default, the Corporation has cured the Listing Default by again subjecting the Series B Preferred Stock to listing on a National Market. On any matter in which the holders of Series B Preferred Stock are entitled to vote (as expressly provided herein or as

may be required by law), including any action by written consent, each share of Series B Preferred Stock shall have one vote per share, except that when shares of any other class or series of Parity Preferred Stock shall have the right to vote with the Series B Preferred Stock as a single class on any matter, then the holders of Series B Preferred Stock and the holders of such other class or series of Parity Preferred Stock shall have with respect to such matters one vote per \$25.00 of stated liquidation preference. The Preferred Stock Directors shall be elected by a plurality of the votes cast by the holders of the outstanding shares of Series B Preferred Stock when they have the voting rights set forth in this subparagraph (b) of Section 6 (voting together as a single class with the holders of any outstanding shares of Parity Preferred Stock) in the election of such Preferred Stock Directors to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified or until such Preferred Stock Directors' right to hold the office terminates as described below, whichever occurs earlier.

(c) If and when (i) with respect to a Preferred Distribution Default, all accrued distributions on the Series B Preferred Stock shall have been paid in full or declared and a sum sufficient for the payment thereof set aside for payment in full, the holders of Series B Preferred Stock shall be divested of the voting rights set forth in subparagraph (b) of this Section 6 (subject to revesting in the event of each and every Preferred Distribution Default) and, if all accrued distributions have been paid in full or declared by the Board of Directors and set aside for payment in full on all other series of Parity Preferred Stock upon which like voting rights have been conferred and are exercisable, the term of office of each Preferred Stock Director so elected shall terminate, or (ii) with respect to a Listing Default, the Corporation has cured the Listing Default by again subjecting the Series B Preferred Stock to listing on a National Market, the holders of Series B Preferred Stock shall be divested of the voting rights set forth in subparagraph (b) of this Section 6 (subject to revesting in the event of each and every Listing Default), and the term of office of each Preferred Stock Director so elected shall terminate. Any Preferred Stock Director may be removed at any time with or without cause by the vote or consent of, and shall not be removed otherwise than by the vote of, the holders of a majority of the outstanding Series B Preferred Stock when they have the voting rights set forth in subparagraph (b) of this Section 6 (voting together as a single class with the holders of any outstanding shares of Parity Preferred Stock). So long as a Preferred Distribution Default or Listing Default shall continue, any vacancy in the office of a Preferred Stock Director may be filled by written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of a majority of the outstanding Series B Preferred Stock when they have the voting rights set forth in subparagraph (b) of this Section 6 (voting together as a single class with the holders of any outstanding shares of Parity Preferred Stock). The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(d) So long as any Series B Preferred Stock remains outstanding, the Corporation shall not, without the affirmative vote or consent of the holders of at least two-thirds of the Series B Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting (such series voting separately as a class): (i) authorize, create or increase the authorized or issued amount of any class or series of equity securities ranking senior to the outstanding Series B Preferred Stock with respect to the payment of distributions or the distribution of assets upon voluntary or involuntary liquidation, dissolution or winding up of the Corporation, or reclassify any authorized equity securities of the Corporation into any such senior equity securities, or create, authorize or issue any obligation or security convertible into or

evidencing the right to purchase any such senior equity securities; or (ii) amend, alter or repeal the provisions of the Charter (including these Articles Supplementary), whether by merger or consolidation (in either case, an "Event") or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series B Preferred Stock; provided, however, that with respect to the occurrence of any Event, the occurrence of any such event will not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Series B Preferred Stock or the holders thereof so long as the Series B Preferred Stock remains outstanding with the terms thereof materially unchanged, or, if the Corporation is not the surviving entity in such transaction, the Series B Preferred Stock is exchanged for a security of the surviving entity with terms that are materially the same as the Series B Preferred Stock; and provided further that any increase in the amount of authorized Series B Preferred Stock or the creation or issuance of or increase in the amount of any other class or series of the Corporation's equity securities, in each case ranking on parity with or junior to the Series B Preferred Stock with respect to the payment of distributions and the distribution of assets upon voluntary or involuntary liquidation, dissolution or winding up of the Corporation, shall not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers of the Series B Preferred Stock.

(e) The foregoing voting provisions shall not apply if, at or prior to the time when the action with respect to which such vote or consent would otherwise be required shall be effected, all outstanding Series B Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been deposited in trust to effect such redemption.

(7) Conversion.

(a) Except as otherwise set forth in this Section 7, the Series B Preferred Stock is not convertible into or exchangeable for any other property or securities of the Corporation.

(b) Conversion Right.

(i) Upon the occurrence of a Change of Control (as defined in subparagraph (j) of Section 5), each holder of Series B Preferred Stock shall have the right, unless, prior to the Change of Control Conversion Date (as defined below), the Corporation has provided or provides notice of its election to redeem the Series B Preferred Stock pursuant to the Redemption Right, to convert some or all of the Series B Preferred Stock held by such holder (the "Change of Control Conversion Right") on the Change of Control Conversion Date into a number of shares of Common Stock per share of Series B Preferred Stock to be converted (the "Common Stock Conversion Consideration") equal to the lesser of (A) the quotient obtained by dividing (1) the sum of (x) the \$25.00 liquidation preference plus (y) the amount of any accrued and unpaid distributions to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for the Series B Preferred Stock distribution payment and prior to the corresponding Series B Preferred Stock Distribution Payment Date, in which case no additional amount for such accrued

and unpaid distribution will be included in such sum) by (2) the Common Stock Price (as defined below) and (B) 10.2041 (the "Stock Cap"), subject to Section 7(b) (ii).

(ii) The Stock Cap is subject to pro rata adjustments for any stock splits (including those effected pursuant to a distribution of Common Stock), subdivisions or combinations (in each case, a "Stock Split") with respect to Common Stock as follows: the adjusted Stock Cap as the result of a Stock Split shall be the number of shares of Common Stock that is equivalent to the product obtained by multiplying (i) the Stock Cap in effect immediately prior to such Stock Split by (ii) a fraction, the numerator of which is the number of shares of Common Stock outstanding after giving effect to such Stock Split and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such Stock Split.

(iii) For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Common Stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable in connection with the exercise of the Change of Control Conversion Right (or equivalent Alternative Conversion Consideration, as applicable) (the "Exchange Cap"), will not exceed 4,081,640 in total (or equivalent Alternative Conversion Consideration, as applicable). The Exchange Cap is subject to pro rata adjustments for any Stock Splits on the same basis as the corresponding adjustment to the Stock Cap and for additional issuances of shares of Series B Preferred Stock in subsequent offerings.

(iv) In the case of a Change of Control pursuant to which shares of Common Stock shall be converted into cash, securities or other property or assets (including any combination thereof) (the "Alternative Form Consideration"), a holder of Series B Preferred Stock shall receive upon conversion of such Series B Preferred Stock the kind and amount of Alternative Form Consideration which such holder of Series B Preferred Stock would have owned or been entitled to receive upon the Change of Control had such holder of Series B Preferred Stock held a number of shares of Common Stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration"; and the Common Stock Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, shall be referred to herein as the "Conversion Consideration").

(v) In the event that holders of Common Stock have the opportunity to elect the form of consideration to be received in the Change of Control, the consideration that the holders of Series B Preferred Stock shall receive shall be the form and proportion of the aggregate consideration elected by the holders of the Common Stock who participate in the determination (based on the weighted average of elections) and shall be subject to any limitations to which all holders of Common Stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the Change of Control.

(vi) The “Change of Control Conversion Date” shall be a Business Day set forth in the notice of Change of Control provided in accordance with Section 7(d) below that is no less than 20 days nor more than 35 days after the date on which the Corporation provides such notice pursuant to Section 7(d).

(vii) The “Common Stock Price” shall be (i) the amount of cash consideration per share of Common Stock, if the consideration to be received in the Change of Control by holders of Common Stock is solely cash, or (ii) the average of the closing prices per share of Common Stock on the NYSE for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the consideration to be received in the Change of Control by holders of Common Stock is other than solely cash.

(c) No fractional shares of Common Stock shall be issued upon the conversion of Series B Preferred Stock. In lieu of fractional shares, holders shall be entitled to receive the cash value of such fractional shares based on the Common Stock Price.

(d) Within 15 days following the occurrence of a Change of Control, a notice of occurrence of the Change of Control describing the resulting Change of Control Conversion Right shall be delivered to the holders of record of the Series B Preferred Stock at their addresses as they appear on the Corporation’s share transfer records and provided to the Corporation’s transfer agent. No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceedings for the conversion of any Series B Preferred Stock except as to the holder to whom notice was defective or not given. Each notice shall state: (i) the events constituting the Change of Control; (ii) the date of the Change of Control; (iii) the last date on which the holders of Series B Preferred Stock may exercise their Change of Control Conversion Right; (iv) the method and period for calculating the Common Stock Price; (v) the Change of Control Conversion Date, which shall be a Business Day occurring within 20 to 35 days following the date of such notice; (vi) that if, prior to the Change of Control Conversion Date, the Corporation has provided or provides notice of its election to redeem all or any portion of the Series B Preferred Stock, the holder will not be able to convert Series B Preferred Stock and such Series B Preferred Stock shall be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right; (vii) if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per each share of Series B Preferred Stock; (viii) the name and address of the paying agent and the conversion agent; and (ix) the procedures that the holders of Series B Preferred Stock must follow to exercise the Change of Control Conversion Right.

(e) The Corporation shall issue a press release and post notice on the Corporation’s website, in any event prior to the opening of business on the first Business Day following any date on which the Corporation provides notice pursuant to Section 7(d) above to the holders of Series B Preferred Stock.

(f) To exercise the Change of Control Conversion Right, a holder of Series B Preferred Stock shall be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates evidencing the Series B Preferred Stock, to the extent such shares are certificated, to be converted, duly endorsed for transfer, together with a written conversion notice (the "Conversion Notice") to the Corporation's transfer agent. The Conversion Notice shall state: (i) the relevant Change of Control Conversion Date; (ii) the number of Series B Preferred Stock to be converted; and (iii) that the Series B Preferred Stock is to be converted pursuant to the applicable terms of the Series B Preferred Stock. Notwithstanding the foregoing, if the Series B Preferred Stock is held in global form, such notice shall comply with applicable procedures of The Depository Trust Company ("DTC").

(g) Holders of Series B Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal (the "Withdrawal Notice") delivered to the Corporation's transfer agent prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The Withdrawal Notice must state: (i) the number of withdrawn shares of Series B Preferred Stock; (ii) if certificated shares of Series B Preferred Stock have been issued, the certificate numbers of the withdrawn shares of Series B Preferred Stock; and (iii) the number of shares of Series B Preferred Stock, if any, which remain subject to the Conversion Notice. Notwithstanding the foregoing, if the shares of Series B Preferred Stock are held in global form, the Withdrawal Notice shall comply with applicable procedures of DTC.

(h) Series B Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn shall be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless, prior to the Change of Control Conversion Date, the Corporation has provided or provides notice of its election to redeem such Series B Preferred Stock, pursuant to its Redemption Right. If the Corporation elects to redeem Series B Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such Series B Preferred Stock shall not be so converted and the holders of such shares shall be entitled to receive on the applicable redemption date \$25.00 per share, plus any accrued and unpaid distributions thereon to, but not including, the redemption date in accordance with Section 5 above.

(i) The Corporation shall deliver the applicable Conversion Consideration no later than the third Business Day following the Change of Control Conversion Date.

(j) Notwithstanding anything to the contrary contained herein, no holder of Series B Preferred Stock will be entitled to convert such Series B Preferred Stock into Common Stock to the extent that receipt of such shares of Common Stock would cause the holder of such shares of Common Stock (or any other person) to own shares of Common Stock of the Corporation in excess of the Ownership Limit, unless the Board grants a waiver of such limitation.

(8) Ownership Limitations. The provisions of this Section 8 shall apply with respect to the limitations on the ownership and acquisition of shares of Series B Preferred Stock.

(a) Definitions.

For the purposes of this Section 8, the following terms shall have the following meanings:

“Act” shall mean the General Corporation Law of Maryland.

“Beneficial Ownership” shall mean ownership of Series B Preferred Stock by a Person who would be treated as an owner of such shares of Series B Preferred Stock either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h) of the Code. The terms “Beneficial Owner,” “Beneficially Owns” and “Beneficially Owned” shall have the correlative meanings.

“Charitable Trust” shall mean the trust created pursuant to subparagraph (c)(i) of this Section 8.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time. All section references to the Code shall include any successor provisions thereof as may be adopted from time to time.

“Constructive Ownership” shall mean ownership of Series B Preferred Stock by a Person who would be treated as an owner of such shares of Series B Preferred Stock either directly or constructively through the application of Section 318 of the Code, as modified by Section 856(d)(5) of the Code. The terms “Constructive Owner,” “Constructively Owns” and “Constructively Owned” shall have the correlative meanings.

“Holder” shall mean the record holder of shares of Series B Preferred Stock, or in the case of shares held by a Purported Record Transferee, the Charitable Trust.

“Initial Date” shall mean the date upon which the Corporation issues the Series B Preferred Stock.

“IRS” shall mean the United States Internal Revenue Service.

“Market Price” shall mean the last reported sales price reported on the New York Stock Exchange of Series B Preferred Stock on the trading day immediately preceding the relevant date, or if the Series B Preferred Stock is not then traded on the New York Stock Exchange, the last reported sales price of the Series B Preferred Stock on the trading day immediately preceding the relevant date as reported on any exchange or quotation system over which the Series B Preferred Stock may be traded, or if the Series B Preferred Stock is not then traded over any exchange or quotation system, then the market price of the Series B Preferred Stock on the relevant date as determined in good faith by the Board of Directors of the Corporation.

“Ownership Limit” shall mean 9.9% of the outstanding Series B Preferred Stock of the Corporation, and after any adjustment as set forth in subparagraph (i) of this Section 8, shall mean such greater percentage.

“Partner” shall mean any Person owning Units.

“Partnership” shall mean Cedar Realty Trust Partnership, L.P., a Delaware limited partnership.

“Partnership Agreement” shall mean the Agreement of Limited Partnership of the Partnership, of which the Corporation is the sole general partner, as amended, as such agreement may be further amended from time to time.

“Person” shall mean an individual, corporation, partnership, estate, trust, a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Exchange Act, and the rules and regulations promulgated thereunder; but does not include an underwriter which participates in a public offering of the Series B Preferred Stock provided that the ownership of Series B Preferred Stock by such underwriter would not result in the Corporation failing to qualify as a REIT.

“Purported Transferee” shall mean, with respect to any purported Transfer (or other event) which results in a violation of subparagraph (b) of this Section 8, the purported beneficial transferee or owner for whom the Purported Record Transferee would have acquired or owned shares of Series B Preferred Stock, if such Transfer had been valid under such subparagraph.

“Purported Record Transferee” shall mean, with respect to any purported Transfer which results in a violation of subparagraph (b) of this Section 8, the record holder of the Series B Preferred Stock if such Transfer had been valid under such subparagraph.

“REIT” shall mean a real estate investment trust under Sections 856 through 860 of the Code.

“Restriction Termination Date” shall mean the first day on which the Board of Directors of the Corporation determines that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT.

“Transfer” shall mean any sale, issuance, transfer, gift, assignment, devise or other disposition of Series B Preferred Stock as well as any other event that causes any Person to Beneficially Own or Constructively Own Series B Preferred Stock (including (i) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Series B Preferred Stock or (ii) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Series B Preferred Stock), whether voluntary or involuntary, whether of record or beneficially or Beneficially or Constructively (including but not limited to transfers of interests in other entities which result in changes in Beneficial or Constrictive Ownership of Series B Preferred Stock), and whether by operation of law or otherwise.

“Trustee” shall mean the Corporation as trustee for the Charitable Trust, and any successor trustee appointed by the Corporation.

“Units” shall mean the units into which partnership interests of the Partnership are divided, and as the same may be adjusted, as provided in the Partnership Agreement.

(b) *Restriction on Ownership and Transfer.*

(i) Except as provided in subparagraph (k) of this Section 8, from the Initial Date and prior to the Restriction Termination Date, no Person shall Beneficially Own shares of Series B Preferred Stock in excess of the Ownership Limit.

(ii) Except as provided in subparagraph (k) of this Section 8, from the Initial Date and prior to the Restriction Termination Date, any Transfer that, if effective, would result in any Person Beneficially Owning Series B Preferred Stock in excess of the Ownership Limit shall be void ab initio as to the Transfer of such shares of Series B Preferred Stock which would be otherwise Beneficially Owned by such Person in excess of the Ownership Limit; and the Purported Transferee shall acquire no rights in such shares of Series B Preferred Stock.

(iii) Except as provided in subparagraph (k) of this Section 8, from the Initial Date and prior to the Restriction Termination Date, any Transfer that, if effective, would result in the Series B Preferred Stock being Beneficially Owned by less than 100 Persons (determined without reference to any rules of attribution) shall be void ab initio as to the Transfer of such shares of Series B Preferred Stock which would be otherwise beneficially owned by the transferee; and the intended transferee shall acquire no rights in such shares of Series B Preferred Stock.

(iv) Notwithstanding any other provisions contained in this Section 8, from the Initial Date and prior to the Restriction Termination Date, any Transfer or other event that, if effective, would result in the Corporation being “closely held” within the meaning of Section 856(h) of the Code, or would otherwise result in the Corporation failing to qualify as a REIT (including, but not limited to, a Transfer or other event that would result in the Corporation owning (directly or Constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Corporation from such tenant would cause the Corporation to fail to satisfy, any of the gross income requirements of Section 856(c) of the Code), shall be void ab initio as to the Transfer of the shares of Series B Preferred Stock which would cause the Corporation to be “closely held” within the meaning of Section 856(h) of the Code or would otherwise result in the Corporation failing to qualify as a REIT; and the intended transferee or owner or Constructive or Beneficial Owner shall acquire or retain no rights in such shares of Series B Preferred Stock.

(c) *Effect of Transfer in Violation of Subparagraph 8(b).*

(i) If, notwithstanding the other provisions contained in this Section 8, at any time after the Initial Date and prior to the Restriction Termination Date, there is a

purported Transfer, or change in the capital structure of the Corporation, or other event such that one or more of the restrictions on ownership and transfers described in subparagraph (b) of this Section 8 has been violated, then the shares of Series B Preferred Stock being Transferred (or in the case of an event other than a Transfer, the shares owned or Constructively Owned or Beneficially Owned) which would cause one or more of the restrictions on ownership or transfer to be violated (rounded up to the nearest whole share) (the "Trust Shares"), shall automatically be transferred to the Corporation, as Trustee of a trust (the "Charitable Trust") for the exclusive benefit of The American Cancer Society (the "Designated Charity"), an organization described in Section 170(b)(1)(A) and 170(c) of the Code. The Purported Transferee shall have no rights in such Trust Shares.

(ii) The Corporation, as Trustee of the Charitable Trust, may transfer the shares held in such trust to a Person whose ownership of the shares will not result in a violation of the ownership restrictions (a "Permitted Transferee"). If such a transfer is made, the interest of the Designated Charity will terminate and proceeds of the sale will be payable to the Purported Transferee and to the Designated Charity. The Purported Transferee will receive the lesser of (1) the price paid by the Purported Transferee for the shares or, if the Purported Transferee did not give value for the shares, the Market Price of the shares on the day of the event causing the shares to be held in trust, and (2) the price per share received by the Corporation, as Trustee, from the sale or other disposition of the shares held in trust. The Designated Charity will receive any proceeds in excess of the amount payable to the Purported Transferee. The Purported Transferee will not be entitled to designate a Permitted Transferee.

(iii) All stock held in the Charitable Trust will be deemed to have been offered for sale to the Corporation or its designee for a 90-day period, at the lesser of the price paid for that stock by the Purported Transferee and the Market Price on the date that the Corporation accepts the offer. This period will commence on the date of the violative transfer, if the Purported Transferee gives notice to the Corporation of the transfer, or the date that the Board of Directors of the Corporation determines that a violative transfer occurred, if no such notice is provided.

(iv) Any dividend or distribution paid prior to the discovery by the Corporation that shares of Series B Preferred Stock have been transferred in violation of subparagraph (b) of this Section 8, shall be repaid to the Corporation upon demand and shall be held in trust for the Designated Charity. Any dividend or distribution declared but unpaid shall be rescinded as void ab initio with respect to such shares of stock.

(v) In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, the Designated Charity shall be entitled to receive, ratably with each other holder of Series B Preferred Stock, that portion of the assets of the Corporation available for distribution to its stockholders as the number of Trust Shares bears to the total number of shares of Series B Preferred Stock then outstanding (including the Trust Shares). The Corporation, as Trustee, or if the Corporation shall have been dissolved, any trustee appointed by the Corporation prior to its dissolution, shall distribute to the Designated Charity, when determined (or if not determined, or only partially determined, ratably to the other holders of Series B Preferred Stock who have been determined and the Designated Charity), any such assets received in respect of the Trust Shares in any liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation.

(vi) The Purported Transferee will not be entitled to vote any Series B Preferred Stock it attempts to acquire, and any stockholder vote will be rescinded if a Purported Transferee votes and the stockholder vote would have been decided differently if such Purported Transferee's vote was not counted.

(d) Remedies for Breach. If the Board of Directors or its designees shall at any time determine in good faith that a Transfer or other event has taken place in violation of subparagraph (b) of this Section 8 or that a Person intends to acquire or has attempted to acquire beneficial ownership (determined without reference to any rules of attribution), Beneficial Ownership or Constructive Ownership of any shares of Series B Preferred Stock in violation of subparagraph (b) of this Section 8, the Corporation shall inform the Purported Transferee of its obligations pursuant to this Section 8, including such Purported Transferee's obligations to pay over to the Charitable Trust any and all dividends received with respect to the Trust Shares. In addition, the Board of Directors or its designees shall take such action as it deems advisable to refuse to give effect or to prevent such Transfer, including, but not limited to, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer and to recover any dividend erroneously paid and declaring any votes erroneously cast to be retroactively invalid; provided, however, that any Transfers (or, in the case of events other than a Transfer, ownership or Constructive Ownership or Beneficial Ownership) in violation of subparagraph (b) of this Section 8 shall automatically result in a transfer to the Charitable Trust as described in subparagraph (c) of this Section 8, irrespective of any action (or non-action) by the Board of Directors.

(e) Notice of Restricted Transfer. Any Person who acquires or attempts to acquire shares of Series B Preferred Stock in violation of subparagraph (b) of this Section 8, or any Person who is a Purported Transferee, shall immediately give written notice to the Corporation of such event and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer or attempted Transfer on the Corporation's status as a REIT.

(f) Owners Required To Provide Information. From the Initial Date and prior to the Restriction Termination Date each Person who is a beneficial owner or Beneficial Owner or Constructive Owner of Series B Preferred Stock and each Person (including the stockholder of record) who is holding Series B Preferred Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information that the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT.

(g) Remedies Not Limited. Nothing contained in this Section 8 shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders by preservation of the Corporation's status as a REIT.

(h) Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Section 8, including any definition contained in subparagraph (a) of this Section 8, the Board of Directors shall have the power to determine the application of the provisions of this Section 8 with respect to any situation based on the facts known to it.

(i) Modification of Ownership Limit. Subject to the limitations provided in subparagraph (j) of this Section 8, the Board of Directors may from time to time increase the Ownership Limit and shall file Articles Supplementary with the State Department of Assessment and Taxation of Maryland to evidence such increase.

(j) Limitations on Modifications.

(i) From the Initial Date and prior to the Restriction Termination Date, the Ownership Limit may not be increased if, after giving effect to such increase, five Persons who are Beneficial Owners of Series B Preferred Stock could (taking into account the Ownership Limit) Beneficially Own, in the aggregate, more than 49.5% of the outstanding Series B Preferred Stock.

(ii) Prior to the modification of any Ownership Limit pursuant to subparagraph (i) of this Section 8, the Board of Directors of the Corporation may require such opinions of counsel, affidavits, undertakings or agreements as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

(k) Exceptions.

(i) The Board of Directors, in its sole discretion, may exempt a Person from the Ownership Limit, if such Person is not an individual for purposes of Section 542(a)(2) of the Code and the Board of Directors obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual's Beneficial Ownership of such shares of Series B Preferred Stock will violate the Ownership Limit, and agrees that any violation of such representations or undertaking (or other action which is contrary to the restrictions contained in this subparagraph (k) of this Section 8) or attempted violation will result in such shares of Series B Preferred Stock automatically being transferred to the Charitable Trust.

(ii) Prior to granting any exception pursuant to subparagraph (k)(i) of this Section 8, the Board of Directors may require a ruling from the IRS, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT.

(l) Legend. Each certificate for shares of Series B Preferred Stock shall bear legends substantially to the effect of the following:

"The Corporation is authorized to issue two classes of capital stock which are designated as Common Stock and Preferred Stock. The Board of Directors is authorized to determine the preferences, limitations and relative rights of the Preferred Stock before the issuance of any Preferred Stock. The Corporation will furnish, without charge, to any stockholder making a written request therefor, a copy of the Corporation's charter and a written statement of the designations, relative rights, preferences and limitations applicable to each such

class of stock. Requests for the Corporation's charter and such written statement may be directed to Cedar Realty Trust, Inc., 44 South Bayles Avenue, Port Washington, New York 11050, Attention: Secretary.

The shares of Series B Preferred Stock represented by this certificate are subject to restrictions on ownership and Transfer for the purpose of the Corporation's maintenance of its status as a Real Estate Investment Trust under the Code. No Person may Beneficially Own shares of Series B Preferred Stock in excess of 9.9% (or such greater percentage as may be determined by the Board of Directors of the Corporation) of the outstanding Series B Preferred Stock of the Corporation with certain exceptions set forth in the Corporation's charter. Any Person who attempts to Beneficially Own shares of Series B Preferred Stock in excess of the above limitations must immediately notify the Corporation. All capitalized terms in this legend have the meanings defined in the Corporation's charter. Transfers in violation of the restrictions described above may be void ab initio.

In addition, upon the occurrence of certain events, if the restrictions on ownership are violated, the shares of Series B Preferred Stock represented hereby may be automatically exchanged for Trust Shares which will be held in trust by the Corporation. The Corporation has an option to acquire Trust Shares under certain circumstances. The Corporation will furnish to the holder hereof upon request and without charge a complete written statement of the terms and conditions of the Trust Shares. Requests for such statement may be directed to Cedar Realty Trust, Inc., 44 South Bayles Avenue, Port Washington, New York 11050, Attention: Secretary."

(m) Severability. If any provision of this Section 8 or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

(9) Information Rights. During any period in which the Corporation is not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act and any Series B Preferred Stock are outstanding, the Corporation will (i) transmit by mail or other permissible means under the Exchange Act to all holders of Series B Preferred Stock as their names and addresses appear in the Corporation's record books and without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that the Corporation would have been required to file with the Securities and Exchange Commission (the "SEC") pursuant to Section 13 or Section 15(d) of the Exchange Act if the Corporation were subject thereto (other than any exhibits that would have been required) and (ii) within 15 days following written request, supply copies of such reports to any prospective holder of the Series B Preferred Stock. The Corporation will mail (or otherwise provide) the reports to the holders of Series B Preferred Stock within 15 days after the respective dates by which the Corporation would have been required to file such reports with the SEC if it were subject to Section 13 or Section 15(d) of the Exchange Act.

(10) Status. Upon any redemption of shares of Series B Preferred Stock, the shares of Series B Preferred Stock which are redeemed will be reclassified as authorized and unissued shares of Preferred Stock, and the number of shares of Series B Preferred Stock which

the Corporation has the authority to issue will be decreased by the redemption of shares of Series B Preferred Stock, so that the shares of Series B Preferred Stock which were redeemed may not be reissued.

(11) Exclusion of Other Rights. The shares of Series B Preferred Stock shall not have any preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption other than those specifically set forth in these Articles Supplementary. The shares of Series B Preferred Stock shall have no preemptive or subscription rights.

(12) Headings of Subdivisions. The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

(13) Severability of Provisions. If any preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of the Series B Preferred Stock set forth in the Charter is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of Series B Preferred Stock set forth in the Charter which can be given effect without the invalid, unlawful or unenforceable provision thereof shall, nevertheless, remain in full force and effect, and no preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of Series B Preferred Stock herein set forth shall be deemed dependent upon any other provision thereof unless so expressed therein.

SECOND: The Shares have been classified and designated by the Board of Directors under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FOURTH: The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

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IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 15th of May, 2012.

ATTEST:

CEDAR REALTY TRUST, INC.

/s/ Stuart H. Widowski

Stuart H. Widowski, Secretary

/s/ Bruce J. Schanzer

Bruce J. Schanzer, President

CERTIFICATE OF CORRECTION

TO

CEDAR REALTY TRUST, INC.

ARTICLES SUPPLEMENTARY

7.25% Series B Cumulative Redeemable Preferred Stock

Cedar Realty Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

1. Articles Supplementary relating to the Corporation's 7.25% Series B Cumulative Redeemable Preferred Stock ("Articles Supplementary") were filed with the State Department of Assessments and Taxation of Maryland on May 15, 2012, and that said Articles Supplementary require correction as permitted by the laws of the State of Maryland.

2. The third sentence of "Article FIRST, Section 3(a), Distributions" of the Articles Supplementary incorrectly read: "The first distribution on the Series B Preferred Stock shall be paid on August 20, 2012, will be for more than a full quarter and will reflect distributions accumulated from the date of original issuance through August 20, 2012."

3. The third sentence of "Article FIRST, Section 3(a), Distributions" of the Articles Supplementary is hereby corrected to read: "The first distribution on the Series B Preferred Stock shall be paid on August 20, 2012, will be for less than a full quarter and will reflect distributions accumulated from the date of original issuance through August 20, 2012.", by changing the word "more" to "less."

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Correction to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 24th of May, 2012.

ATTEST:

/s/ STUART H. WIDOWSKI
Stuart H. Widowski, Secretary

CEDAR REALTY TRUST, INC.
/s/ BRUCE J. SCHANZER
Bruce J. Schanzer, President

CEDAR REALTY TRUST, INC.

ARTICLES SUPPLEMENTARY

7.25% Series B Cumulative Redeemable Preferred Stock

Cedar Realty Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "Department") that:

FIRST: By Articles Supplementary filed with the Department on May 15, 2012 (the "May 15 Articles Supplementary"), the Corporation classified and designated 400,000 shares of Preferred Stock (as defined in the Charter (defined below)) as shares of 7.25% Series B Cumulative Redeemable Preferred Stock (the "Series B Preferred Stock"), and set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption and other terms and conditions of such Series B Preferred Stock.

SECOND: Under a power contained in Article IV of the Articles of Incorporation of the Corporation, as amended and supplemented (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by resolution duly adopted as of May 24, 2012, classified and designated an additional 5,000,000 shares of Preferred Stock as Series B Preferred Stock (the "Additional Shares of Series B Preferred Stock") and provided for the issuance thereof. The Additional Shares of Series B Preferred Stock form a single series with and have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary, all as set forth in the May 15 Articles Supplementary. Upon any restatement of the Charter, Sections 1 and 2 of this Article SECOND shall become part of Article IV of the Charter, with such changes in enumeration as are necessary to complete such restatement.

Section 1. Number, Preferences and Other Rights. The number of Additional Shares of Series B Preferred Stock shall be 5,000,000 and shall form a single series with the 400,000 shares of Series B Preferred Stock established pursuant to the May 15 Articles Supplementary for a total of 5,400,000 shares of Preferred Stock classified and designated as shares of Series B Preferred Stock. The Additional Shares of Series B Preferred Stock shall have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the 400,000 shares of Series B Preferred Stock established pursuant to the May 15 Articles Supplementary, all as set forth in the May 15 Articles Supplementary. The par value of the Additional Shares of Series B Preferred Stock shall be \$.01 per share.

Section 2. Distributions. Holders of the Additional Shares of Series B Preferred Stock shall be entitled to receive the full amount of all distributions payable in respect of the

Series B Preferred Stock from the Distribution Payment Date immediately preceding the date of original issuance of the Additional Shares of Series B Preferred Stock (or, with respect to Additional Shares issued on or before the record date for the payment of the distribution payable on August 20, 2012, from May 22, 2012) but shall not be entitled to receive any distributions paid or payable with regard to Series B Preferred Stock prior to such Distribution Payment Date.

THIRD: The Additional Shares of Series B Preferred Stock have been classified and designated by the Board of Directors under the authority contained in the Charter.

FOURTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FIFTH: The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 29th of May, 2012.

ATTEST:

CEDAR REALTY TRUST, INC.

/s/ Stuart H. Widowski

Stuart H. Widowski, Secretary

/s/ Bruce J. Scharzer

Bruce J. Scharzer, President

CEDAR REALTY TRUST, INC.

ARTICLES SUPPLEMENTARY

7.25% Series B Cumulative Redeemable Preferred Stock

Cedar Realty Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "Department") that:

FIRST: By Articles Supplementary filed with the Department on May 15, 2012 (the "May 15 Articles Supplementary"), the Corporation classified and designated 400,000 shares of Preferred Stock (as defined in the Charter (defined below)) as shares of 7.25% Series B Cumulative Redeemable Preferred Stock (the "Series B Preferred Stock"), and set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption and other terms and conditions of such Series B Preferred Stock. By Articles Supplementary filed with the Department on May 29, 2012 (the "May 29 Articles Supplementary"), the Corporation classified and designated an additional 5,000,000 shares of Preferred Stock as Series B Preferred Stock, forming a single series with and having the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary.

SECOND: Under a power contained in Article IV of the Articles of Incorporation of the Corporation, as amended and supplemented (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by resolution duly adopted as of September 10, 2012, classified and designated an additional 700,000 shares of Preferred Stock as Series B Preferred Stock (the "Additional Shares of Series B Preferred Stock") and provided for the issuance thereof. The Additional Shares of Series B Preferred Stock form a single series with and have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary and the May 29 Articles Supplementary, all as set forth in the May 15 Articles Supplementary and the May 29 Articles Supplementary. Upon any restatement of the Charter, Sections 1 and 2 of this Article SECOND shall become part of Article IV of the Charter, with such changes in enumeration as are necessary to complete such restatement.

Section 1. Number, Preferences and Other Rights. The number of Additional Shares of Series B Preferred Stock shall be 700,000 and shall form a single series with the 5,400,000 shares of Series B Preferred Stock established pursuant to the May 15 Articles Supplementary and the May 29 Articles Supplementary, for a total of 6,100,000 shares of Preferred Stock classified and designated as shares of Series B Preferred Stock. The Additional Shares of Series B Preferred Stock shall have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the 5,400,000 shares of Series B Preferred Stock established pursuant to the May 15 Articles Supplementary and the May 29 Articles Supplementary, all as set forth in the May 15 Articles Supplementary and the May 29 Articles Supplementary. The par value of the Additional Shares of Series B Preferred Stock shall be \$.01 per share.

Section 2. Distributions. Holders of the Additional Shares of Series B Preferred Stock shall be entitled to receive the full amount of all distributions payable in respect of the Series B Preferred Stock from the Distribution Payment Date immediately preceding the date of original issuance of the Additional Shares of Series B Preferred Stock, but shall not be entitled to receive any distributions paid or payable with regard to Series B Preferred Stock prior to such Distribution Payment Date.

THIRD: The Additional Shares of Series B Preferred Stock have been classified and designated by the Board of Directors under the authority contained in the Charter.

FOURTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FIFTH: The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 13th day of September, 2012.

ATTEST:

CEDAR REALTY TRUST, INC.

/s/ Stuart H. Widowski

Stuart H. Widowski, Secretary

/s/ Bruce J. Schanzer

Bruce J. Schanzer, President

CEDAR REALTY TRUST, INC.

ARTICLES SUPPLEMENTARY

8 7/8% Series A Cumulative Redeemable Preferred Stock

Cedar Realty Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "Department") that:

Article I. FIRST: By Articles Supplementary filed with the Department on July 27, 2004 (the "July 2004 Articles Supplementary"), the Corporation classified and designated 2,350,000 shares of Preferred Stock (as defined in the Charter (defined below)) as shares of 8 7/8% Series A Cumulative Redeemable Preferred Stock (the "Series A Preferred Stock"), and set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption and other terms and conditions of such Series A Preferred Stock. By Articles Supplementary filed with the Department on April 1, 2005 (the "April 2005 Articles Supplementary"), the Corporation classified and designated an additional 1,200,000 shares of Preferred Stock as Series A Preferred Stock, forming a single series with and having the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the Series A Preferred Stock established pursuant to the July 2004 Articles Supplementary. By Articles Supplementary filed with the Department on August 19, 2010 (the "August 2010 Articles Supplementary"), the Corporation classified and designated an additional 2,850,000 shares of Preferred Stock as Series A Preferred Stock, forming a single series with and having the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the Series A Preferred Stock established pursuant to the July 2004 Articles Supplementary and the April 2005 Articles Supplementary. The Corporation, from time to time prior to the date hereof, has redeemed or repurchased an aggregate of 4,990,000 shares of Series A Preferred Stock (the "Redeemed Preferred Stock").

Article II. SECOND: Under a power contained in Article IV of the Articles of Incorporation of the Corporation, as amended and supplemented (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), has determined to reduce the number of outstanding shares of Series A Preferred Stock by the number of Redeemed Preferred Stock and to return such Redeemed Preferred Stock to the category of authorized but unissued Preferred Stock. Upon any restatement of the Charter, Section 1 of this Article SECOND shall become part of Article IV of the Charter, with such changes in enumeration as are necessary to complete such restatement.

Section 1. Number, Preferences and Other Rights. As the result of the Redeemed Preferred Stock, the number of authorized shares of Series A Preferred Stock shall be reduced from 6,400,000 shares to 1,410,000 shares.

THIRD: The shares of Series A Preferred Stock have been reduced by the Board of Directors under the authority contained in the Charter.

FOURTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FIFTH: The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed on its behalf by its President and attested to by its Secretary on this 19th day of November, 2012.

ATTEST:

CEDAR REALTY TRUST, INC.

/s/ Stuart H. Widowski

Stuart H. Widowski, Secretary

/s/ Bruce J. Schanzer

Bruce J. Schanzer, President

CEDAR REALTY TRUST, INC.

ARTICLES SUPPLEMENTARY

7.25% Series B Cumulative Redeemable Preferred Stock

Cedar Realty Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "Department") that:

FIRST: By Articles Supplementary filed with the Department on May 15, 2012 (the "May 15 Articles Supplementary"), the Corporation classified and designated 400,000 shares of Preferred Stock (as defined in the Charter (defined below)) as shares of 7.25% Series B Cumulative Redeemable Preferred Stock (the "Series B Preferred Stock"), and set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption and other terms and conditions of such Series B Preferred Stock. By Articles Supplementary filed with the Department on May 29, 2012 (the "May 29 Articles Supplementary"), the Corporation classified and designated an additional 5,000,000 shares of Preferred Stock as Series B Preferred Stock, forming a single series with and having the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary. By Articles Supplementary filed with the Department on September 13, 2012 (the "September Articles Supplementary"), the Corporation classified and designated an additional 700,000 shares of Preferred Stock as Series B Preferred Stock, forming a single series with and having the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary and the May 29 Articles Supplementary.

SECOND: Under a power contained in Article IV of the Articles of Incorporation of the Corporation, as amended and supplemented (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by resolution duly adopted, classified and designated an additional 1,400,000 shares of Preferred Stock as Series B Preferred Stock (the "Additional Shares of Series B Preferred Stock") and provided for the issuance thereof. The Additional Shares of Series B Preferred Stock form a single series with and have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary, the May 29 Articles Supplementary and the September Articles Supplementary, all as set forth in the May 15 Articles Supplementary, the May 29 Articles Supplementary and the September Articles Supplementary. Upon any restatement of the Charter, Sections 1 and 2 of this Article SECOND shall become part of Article IV of the Charter, with such changes in enumeration as are necessary to complete such restatement.

Section 1. Number, Preferences and Other Rights. The number of Additional Shares of Series B Preferred Stock shall be 1,400,000 and shall form a single series with the 6,100,000 shares of Series B Preferred Stock established pursuant to the May 15 Articles Supplementary, the May 29 Articles Supplementary and the September Articles Supplementary, for a total of 7,500,000 shares of Preferred Stock classified and designated as shares of Series B Preferred Stock. The Additional Shares of Series B Preferred Stock shall have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the 6,100,000 shares of Series B Preferred Stock established pursuant to the May 15 Articles Supplementary, the May 29 Articles Supplementary and the September Articles Supplementary, all as set forth in the May 15 Articles Supplementary, the May 29 Articles Supplementary and the September Articles Supplementary. The par value of the Additional Shares of Series B Preferred Stock shall be \$.01 per share.

Section 2. Distributions. Holders of the Additional Shares of Series B Preferred Stock shall be entitled to receive the full amount of all distributions payable in respect of the Series B Preferred Stock from the Distribution Payment Date immediately preceding the date of original issuance of the Additional Shares of Series B Preferred Stock, but shall not be entitled to receive any distributions paid or payable with regard to Series B Preferred Stock prior to such Distribution Payment Date.

THIRD: The Additional Shares of Series B Preferred Stock have been classified and designated by the Board of Directors under the authority contained in the Charter.

FOURTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FIFTH: The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 20th day of November, 2012.

ATTEST:

CEDAR REALTY TRUST, INC.

/s/ Stuart H. Widowski

Stuart H. Widowski, Secretary

/s/ Bruce J. Schanzer

Bruce J. Schanzer, President

CEDAR REALTY TRUST, INC.

ARTICLES SUPPLEMENTARY

7.25% Series B Cumulative Redeemable Preferred Stock

Cedar Realty Trust, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "Department") that:

FIRST: By Articles Supplementary filed with the Department on May 15, 2012 (the "May 15 Articles Supplementary"), the Corporation classified and designated 400,000 shares of Preferred Stock (as defined in the Charter (defined below)) as shares of 7.25% Series B Cumulative Redeemable Preferred Stock (the "Series B Preferred Stock"), and set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption and other terms and conditions of such Series B Preferred Stock. By Articles Supplementary filed with the Department on May 29, 2012 (the "May 29 Articles Supplementary"), the Corporation classified and designated an additional 5,000,000 shares of Preferred Stock as Series B Preferred Stock, forming a single series with and having the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary. By Articles Supplementary filed with the Department on September 13, 2012 (the "September Articles Supplementary"), the Corporation classified and designated an additional 700,000 shares of Preferred Stock as Series B Preferred Stock, forming a single series with and having the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary and the May 29 Articles Supplementary. By Articles Supplementary filed with the Department on November 20, 2012 (the "November Articles Supplementary"), the Corporation classified and designated an additional 1,400,000 shares of Preferred Stock as Series B Preferred Stock, forming a single series with and having the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary, the May 29 Articles Supplementary and the September Articles Supplementary.

SECOND: Under a power contained in Article IV of the Articles of Incorporation of the Corporation, as amended and supplemented (the "Charter"), the Board of Directors of the Corporation (the "Board of Directors"), by resolution duly adopted, classified and designated an additional 2,500,000 shares of Preferred Stock as Series B Preferred Stock (the "Additional Shares of Series B Preferred Stock") and provided for the issuance thereof. The Additional

Shares of Series B Preferred Stock form a single series with and have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the Series B Preferred Stock established pursuant to the May 15 Articles Supplementary, the May 29 Articles Supplementary, the September Articles Supplementary and the November Articles Supplementary, all as set forth in the May 15 Articles Supplementary, the May 29 Articles Supplementary, the September Articles Supplementary and the November Articles Supplementary. Upon any restatement of the Charter, Sections 1 and 2 of this Article SECOND shall become part of Article IV of the Charter, with such changes in enumeration as are necessary to complete such restatement.

Section 1. Number, Preferences and Other Rights. The number of Additional Shares of Series B Preferred Stock shall be 2,500,000 and shall form a single series with the 7,500,000 shares of Series B Preferred Stock established pursuant to the May 15 Articles Supplementary, the May 29 Articles Supplementary, the September Articles Supplementary and the November Articles Supplementary, for a total of 10,000,000 shares of Preferred Stock classified and designated as shares of Series B Preferred Stock. The Additional Shares of Series B Preferred Stock shall have the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of shares of stock as the 7,500,000 shares of Series B Preferred Stock established pursuant to the May 15 Articles Supplementary, the May 29 Articles Supplementary, the September Articles Supplementary and the November Articles Supplementary, all as set forth in the May 15 Articles Supplementary, the May 29 Articles Supplementary, the September Articles Supplementary and the November Articles Supplementary. The par value of the Additional Shares of Series B Preferred Stock shall be \$.01 per share.

Section 2. Distributions. Except as otherwise provided, holders of the Additional Shares of Series B Preferred Stock shall be entitled to receive the full amount of all distributions payable in respect of the Series B Preferred Stock from the Distribution Payment Date immediately preceding the date of original issuance of the Additional Shares of Series B Preferred Stock, but shall not be entitled to receive any distributions paid or payable with regard to Series B Preferred Stock prior to such Distribution Payment Date.

THIRD: The Additional Shares of Series B Preferred Stock have been classified and designated by the Board of Directors under the authority contained in the Charter.

FOURTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

FIFTH: The undersigned President of the Corporation acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its President and attested to by its Secretary on this 8th day of February, 2013.

ATTEST:

CEDAR REALTY TRUST, INC.

/s/ Stuart H. Widowski
Stuart H. Widowski, Secretary

/s/ Bruce J. Schanzer
Bruce J. Schanzer, President

**AMENDMENT NO. 6
TO THE
2005 CEDAR REALTY TRUST, INC.
DEFERRED COMPENSATION PLAN
(formerly the 2005 Cedar Shopping Centers, Inc. Deferred Compensation Plan)**

WHEREAS, Cedar Realty Trust, Inc. (formerly known as Cedar Shopping Centers, Inc.) (the "Company") has adopted the 2005 Cedar Realty Trust, Inc. Deferred Compensation Plan (formerly known as the 2005 Cedar Shopping Centers, Inc. Deferred Compensation Plan) (the "Plan"); and

WHEREAS, Section 8.1 of the Plan generally permits the Board of Directors of the Company to amend the Plan; and

WHEREAS, the Board of Directors of the Company now desires to amend the Plan in certain respects;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Section 1.1(dd) of the Plan is hereby amended to read in its entirety as follows:

"(dd) 'Original Share Distribution Date' with respect to any Share Deferral Account means (i) for any Share Deferral Award first deferred prior to January 1, 2013, the first business day of the January next following the third anniversary of the date on which units of Shares were first credited to the Participant's Share Deferral Account, or such earlier date as set forth on Schedule A hereto and (ii) for any Share Deferral Award first deferred on or after January 1, 2013, the later of the first business day of the January next following the third anniversary of the date on which units of Shares were first credited to the Participant's Share Deferral Account or the first business day of the January next following the date on which the last tranche of units of Shares subject to the Share Deferral Award credited to the participant's Share Deferral Account vest in accordance with the original vesting schedule. Notwithstanding the foregoing, in the event that Bruce J. Schanzer elects to defer some or all of the Shares granted under his Employment Agreement with the Company, dated as of May 31, 2011, the Original Share Distribution Date with respect to his Share Deferral Account relating to those Shares means the first business day of the January next following the later of 2018 or the third anniversary of the date on which the units of Shares were first credited to his Share Deferral Account."

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2. Section 1.1(oo) of the Plan is hereby amended to read in its entirety as follows:
“(oo) ‘Stock Incentive Plan’ shall mean (i) the Cedar Shopping Centers, Inc. 2004 Stock Incentive Plan, as amended from time to time, (ii) the Cedar Realty Trust, Inc. 2012 Stock Incentive Plan, as amended from time to time and (iii) any other similar stock incentive plan which may be adopted and maintained by the Company from time to time, as any such plan may be amended from time to time.”
 3. Section 5.2(b) of the Plan is hereby amended to add the following to the end thereof:
“Notwithstanding the foregoing, for any deferrals with respect to the Participant’s Cash Deferral Account first made on or after January 1, 2013, in the event the Participant changes the form of payment (i.e, lump sum to quarterly installments and vice versa) and such re-deferral is made with respect to a stream of installment payments, such election shall apply to the entire stream of installment payments related to the same distribution from the Cash Deferral Account. All such further deferrals shall be in accordance with the time periods, form and manner as provided in Section 5.2(a).”
 4. Section 5.3(b) of the Plan is hereby amended to add the following the end thereof:
“Notwithstanding the foregoing, for any deferrals with respect to the Participant’s Share Deferral Account first made on or after January 1, 2013, in the event the Participant changes the form of payment (i.e, lump sum to quarterly installments and vice versa) and such re-deferral is made with respect to a stream of installment payments, such election shall apply to the entire stream of installment payments related to the same distribution from the Share Deferral Account. All such further deferrals shall be in accordance with the time periods, form and manner as provided in Section 5.3(a).”
 5. The provisions of this Amendment shall be effective as follows:
 - a. Paragraphs 1, 3 and 4 shall be effective as of January 1, 2013; and
 - b. Paragraph 2 shall be effective as of March 21, 2012.
 6. Except to the extent hereinabove set forth, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the Board of Directors of the Company has caused this Amendment to be executed by a duly authorized officer of the Company as of the 12th day of December, 2012.

CEDAR REALTY TRUST, INC.
(formerly known as CEDAR SHOPPING CENTERS, INC.)

By: /s/ BRUCE J. SCHANZER
Name: Bruce J. Schanzer
Title: President

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT made as of this 19th day of October, 2012, by and among Cedar Realty Trust, Inc., a Maryland corporation (the "Corporation"), Cedar Realty Trust Partnership, L.P., a Delaware limited partnership (the "Partnership"), and Brenda J. Walker (the "Executive").

1. Position and Responsibilities.

1.1 The Executive initially shall serve in an executive capacity as Vice President and Chief Operating Officer of both the Corporation and the Partnership with duties consistent therewith and shall perform such other functions and undertake such other responsibilities as are customarily associated with such capacity; provided, however, that the Corporation and the Partnership shall have the right at any time and from time to time to change the Executive's position, duties and responsibilities, including the right to reduce or enlarge such position, duties and responsibilities. The Executive shall also hold such directorships and officerships in the Corporation, the Partnership and any of their subsidiaries to which, from time to time, the Executive may be elected or appointed during the term of this Agreement.

1.2 The Executive shall devote Executive's full business time and skill to the business and affairs of the Corporation and the Partnership and to the promotion of their interests.

2. Term of Employment.

2.1 The term of employment shall end October 31, 2015 unless sooner terminated as provided in this Agreement. By executing this Second Amended and Restated Employment Agreement, the Executive agrees that the proviso contained in Section 2.1 of the Executive's Amended and Restated Employment Agreement has been satisfied and the Executive's restricted shares of common stock shall not immediately vest on October 31, 2012, but shall continue to vest in accordance with their terms.

2.2 Notwithstanding the provisions of Section 2.1 hereof, each of the Corporation and the Partnership shall have the right, on written notice to the Executive, to terminate the Executive's employment for Cause (as defined in Section 2.3) or without Cause, such termination to be effective as of the date on which notice is given or as of such later date otherwise specified in the notice and, upon a termination of employment for Cause, Executive shall not be entitled to receive any additional compensation hereunder. The Executive shall have the right, on 30 days advance written notice to the Corporation and the Partnership, to resign the Executive's employment for Good Reason (as defined in Section 2.4) or upon the occurrence of a Change in Control (as defined in Section 4.2), such termination to be effective as of the 30th day following when such notice is given or as of such later date otherwise specified in the notice; provided, however, that Good Reason shall cease to exist for any event on the 90th day following the occurrence of the event unless the Executive has given the Corporation and the Partnership written notice, in accordance with this Section 2.2; and provided, further, however, that any notice of termination as the result of a Change of Control must be provided within 90 days following the occurrence of the Change of Control.

2.3 For purposes of this Agreement, the term "Cause" shall mean any of the following actions by the Executive: (a) failure to comply with any of the material terms of this Agreement, which shall not be cured within 30 days after written notice, or if the same is not of a nature that it can be completely cured within such 30 day period, if Executive shall have failed to commence to cure the same within such 30 day period and shall have failed to pursue the cure of the same diligently thereafter; (b) engagement in gross misconduct injurious to the business or reputation of the Corporation or the Partnership; (c) knowing and willful neglect or refusal to attend to the material duties assigned to the Executive by the Board of Directors of the Corporation, which shall not be cured within 30 days after written notice; (d) intentional misappropriation of property of the Corporation or the Partnership to the Executive's own use; (e) the commission by the Executive of an act of fraud or embezzlement; (f) Executive's conviction for a felony; (g) Executive's engaging in any activity which is prohibited pursuant to Section 5 of this Agreement, which shall not be cured within 30 days after written notice.

2.4 For purposes of this Agreement, the term “Good Reason” shall mean any of the following: (i) a material breach of this Agreement by the Corporation or the Partnership which shall not be cured within 30 days after written notice; or (ii) the relocation of the Executive’s office or the Corporation’s or Partnership’s executive offices to a location more than 30 miles from New York City. The Corporation or the Partnership, as applicable, shall have 30 days after receipt of the Executive’s notice of termination for Good Reason in which to cure the failure, breach or infraction described in the notice of termination. If the failure, breach or infraction is timely cured by the Corporation or the Partnership, the notice of termination for Good Reason shall become null and void.

3. Compensation.

3.1 The Partnership shall pay to the Executive for the services to be rendered by the Executive hereunder to the Corporation and the Partnership a base salary at the rate of \$315,000 per annum. The base salary shall be payable in accordance with the Corporation’s or Partnership’s normal payroll practices, but not less frequently than twice a month. Such base salary will be reviewed at least annually and may be increased by the Board of Directors of the Corporation in its sole discretion. The base salary may be decreased by the Board of Directors of the Corporation (i) for Cause; (ii) with the consent of the Executive or (iii) as part of a general reduction of the salaries of members of management. The Board of Directors of the Corporation in its sole discretion may grant to the Executive a bonus to be paid by the Corporation or Partnership, at any time and from time to time.

3.2 The Executive shall be entitled to participate in, and receive benefits from, on the basis comparable to other senior executives, any insurance, medical, disability, or other employee benefit plan of the Corporation, the Partnership or any of their subsidiaries which may be in effect at any time during the course of Executive's employment by the Corporation and the Partnership and which shall be generally available to senior executives of the Corporation, the Partnership or any of their subsidiaries.

3.3 The Partnership agrees to reimburse the Executive for all reasonable and necessary business expenses incurred by the Executive on behalf of the Corporation or the Partnership in the course of Executive's duties hereunder upon the presentation by the Executive of appropriate vouchers therefor, including continuing legal education, professional licenses and organizations and conferences approved by the CEO.

3.4 The Executive shall be entitled each year of this Agreement to paid vacation in accordance with the Corporation's or Partnership's policies but not less than 4 weeks plus personal and floating holidays (and a ratable number of sick days), which if not taken during such year will be forfeited (unless management requests postponement).

3.5 In recognition of Executive's need for an automobile for business purposes, the Corporation or the Partnership will reimburse the Executive for Executive's use of an automobile, including lease payments, if any, and all related costs, including maintenance, gasoline and insurance; provided, however, that such amount shall not exceed \$500.00 a month. Insurance, maintenance and gas for business use is additional.

3.6 If, during the period of employment hereunder, because of illness or other incapacity, the Executive shall fail for a period of 90 consecutive days, or for shorter periods aggregating more than six months during the term of this Agreement, to render the services contemplated hereunder, then the Corporation or the Partnership, at either of their options, may terminate the term of employment hereunder by notice from the Corporation or the Partnership, as the case may be, to the Executive, effective on the giving of such notice. During any period of disability of Executive during the term hereof, the Corporation shall continue to pay to Executive the salary and bonus which the Executive has earned and accrued as of the date of termination of employment.

3.7 In the event of the death of the Executive during the term hereof, the employment hereunder shall terminate on the date of death of the Executive.

3.8 Each of the Corporation and the Partnership shall have the right to obtain for their respective benefits an appropriate life insurance policy on the life of the Executive, naming the Corporation or the Partnership as the beneficiary. If requested by the Corporation or the Partnership, the Executive agrees to cooperate with the Corporation or the Partnership, as the case may be, in obtaining such policy.

4. Severance Compensation Upon Termination of Employment

4.1 If the Executive's employment with the Corporation or the Partnership shall be terminated (a) by the Corporation or Partnership other than for Cause or pursuant to Sections 3.6 or 3.7, or (b) by the Executive for Good Reason, then the Corporation and the Partnership shall:

(i) pay to the Executive as severance pay, within five days after termination, a lump sum payment equal to not less than 100% of the sum of the Executive's annual salary at the rate applicable on the date of termination and the average of the Executive's annual bonus for the preceding two full fiscal years;

(ii) arrange to provide Executive, for a 12 month period (or such shorter period as Executive may elect), with disability, accident and health insurance substantially similar to those insurance benefits which Executive is receiving immediately prior to the date of termination to the extent obtainable upon reasonable terms; provided, however, if it is not so obtainable the Corporation shall pay to the Executive in cash the annual amount paid by the Corporation or the Partnership for such benefits during the previous year of the Executive's employment. Benefits otherwise receivable by Executive pursuant to this Section 4.1(ii) shall be reduced to the extent comparable benefits are actually received by the Executive during such 12 month period following his termination (or such shorter period elected by the Executive), and any such benefits actually received by Executive shall be reported by the Executive to the Corporation; and

(iii) any options granted to the Executive to acquire common stock of the Corporation, any restricted shares of common stock of the Corporation issued to the Executive and any other awards granted to the Executive under any employee benefit plan that have not vested shall immediately vest on such termination.

4.2(a) If the Executive's employment with the Corporation or the Partnership shall be terminated by the Executive as the result of a Change of Control, then the Corporation and the Partnership shall:

(i) pay to the Executive as severance pay, within five days after termination, a lump sum payment equal to 250% of the sum of the Executive's annual salary at the rate applicable on the date of termination and the average of the Executive's annual bonus for the preceding two full fiscal years;

(ii) arrange to provide Executive, for a 12 month period (or such shorter period as Executive may elect), with disability, accident and health insurance substantially similar to those insurance benefits which Executive is receiving immediately prior to the date of termination to the extent obtainable upon reasonable terms; provided, however, if it is not so obtainable the Corporation shall pay to the Executive in cash the annual amount paid by the Corporation or the Partnership for such benefits during the previous year of the Executive's employment. Benefits otherwise receivable by Executive pursuant to this Section 4.2(ii) shall be reduced to the extent comparable benefits are actually received by the Executive during such 12 month period following his termination (or such shorter period elected by the Executive), and any such benefits actually received by Executive shall be reported by the Executive to the Corporation; and

(iii) any options granted to Executive to acquire common stock of the Corporation, any restricted shares of common stock of the Corporation issued to the Executive and any other awards granted to the Executive under any employee benefit plan that have not vested shall immediately vest on said termination.

(b) As used herein, a "Change in Control" shall be deemed to occur if: (i) there shall be consummated (x) any consolidation or merger of the Corporation or the Partnership in which the Corporation or the Partnership is not the continuing or surviving corporation or pursuant to which the stock of the Corporation or the units of the Partnership would be converted into cash, securities or other property, other than a merger or consolidation of the Corporation or Partnership in which the holders of the Corporation's stock immediately prior to the merger or consolidation hold more than fifty percent (50%) of the stock or other forms of equity of the surviving corporation immediately after the merger, or (y) any sale, lease, exchange or other transfer (in one transaction or series of related transactions) of all, or substantially all, the assets of the Corporation or the Partnership; (ii) the Board approves any plan or proposal for liquidation or dissolution of the Corporation or Partnership; or (iii) any person acquires more than 29% of the issued and outstanding common stock of the Corporation.

4.3(a) The Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor, except to the extent provided in Section 4.1 or 4.2 above, shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by the Executive as a result of employment by another employer or by insurance benefits after the date of termination, or otherwise.

(b) The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish the Executive's existing rights, or rights which would accrue solely as a result of the passage of time, under any benefit plan of the Corporation or Partnership, or other contract, plan or arrangement.

5. Other Activities During Employment.

5.1 The Executive shall not during the term of this Agreement undertake or engage in any other employment, occupation or business enterprise. Subject to compliance with the provisions of this Agreement, the Executive may engage in reasonable activities with respect to personal investments of the Executive.

5.2 During the term of this Agreement, without the prior approval of the Board of Directors, neither the Executive nor any entity in which he may be interested as a partner, trustee, director, officer, employee, shareholder, option holder, lender of money or guarantor, shall be engaged directly or indirectly in the retail shopping center business other than through the Corporation and the Partnership, except for activities existing on the date of this Agreement which have been disclosed to the Corporation; provided, however, that the foregoing shall not be deemed to (a) prohibit the Executive from being on the Board of Directors of another entity, (b) prevent the Executive from investing in securities if such class of securities in which the investment is so made is listed on a national securities exchange or is issued by a company registered under Section 12(g) of the Securities Exchange Act of 1934, so long as such investment holdings do not, in the aggregate, constitute more than 1% of the voting stock of any company's securities or (c) prohibit passive investments.

5.3 The Executive shall not at any time during this Agreement or after the termination hereof directly or indirectly divulge, furnish, use, publish or make accessible to any person or entity any Confidential Information (as hereinafter defined), except pursuant to subpoena, court order or applicable law. Any records of Confidential Information prepared by the Executive or which come into Executive's possession during this Agreement are and remain the property of the Corporation or the Partnership, as the case may be, and upon termination of Executive's employment all such records and copies thereof shall be either left with or returned to the Corporation or the Partnership, as the case may be.

5.4 The term "Confidential Information" shall mean information disclosed to the Executive or known, learned, created or observed by Executive as a consequence of or through employment by the Corporation and the Partnership, not generally known in the relevant trade or industry, about the Corporation's or the Partnership's business activities, services and processes, including but not limited to information concerning advertising, sales promotion, publicity, sales data, research, copy, leasing, other printed matter, artwork, photographs, reproductions, layout, finances, accounting, methods, processes, business plans, contractors, lessee and supplier lists and records, potential lessee and supplier lists, and contractor, lessee or supplier billing.

6. Post-Employment Activities.

6.1 During the term of employment hereunder, and for a period of one year after termination of employment, regardless of the reason for such termination, other than by the Corporation or Partnership without Cause or by the Executive for Good Reason, the Executive shall not directly or indirectly become employed by, act as a consultant to, or otherwise render any services to any person, corporation, partnership or other entity which is engaged in, or about to become engaged in, the retail shopping center business or any other business which is competitive with the business of the Corporation, the Partnership or any of their subsidiaries nor shall Executive use Executive's talents to make any such business competitive with the business of the Corporation, the Partnership or any of their subsidiaries. For the purpose of this Section, a retail shopping center business or other business shall be deemed to be competitive if it involves the ownership, operation, leasing or management of any retail shopping centers which draw from the same related trade area, which is deemed to be within a radius of 10 miles from the location of (a) any then existing shopping centers of the Corporation, the Partnership or any of their subsidiaries or (b) any proposed centers for which the site is owned or under contract, is under construction or is actively being negotiated. The Executive shall be deemed to be directly or indirectly engaged in a business if Executive participates therein as a director, officer, stockholder, employee, agent, consultant, manager, salesman, partner or individual proprietor, or as an investor who has made advances or loans, contributions to capital or expenditures for the purchase of stock, or in any capacity or manner whatsoever; provided, however, that the foregoing shall not be deemed to prevent the Executive from investing in securities if such class of securities in which the investment is so made is listed on a national securities exchange or is issued by a company registered under Section 12(g) of the Securities Exchange Act of 1934, so long as such investment holdings do not, in the aggregate, constitute more than 1% of the voting stock of any company's securities.

6.2 The Executive acknowledges that Executive has been employed for Executive's special talents and that Executive's leaving the employ of the Corporation and the Partnership would seriously hamper the business of the Corporation and the Partnership. The Executive agrees that the Corporation and the Partnership shall each be entitled to injunctive relief, in addition to all remedies permitted by law, to enforce the provisions of Sections 5 and 6 hereof. The Executive further acknowledges that Executive's training, experience and technical skills are of such breadth that they can be employed to advantage in other areas which are not competitive with the present business of the Corporation and the Partnership and consequently the foregoing obligation will not unreasonably impair Executive's ability to engage in business activity after the termination of Executive's present employment.

6.3 The Executive will not, during the period of one year after termination of employment, regardless of the reason for such termination, hire or offer to hire or entice away or in any other manner persuade or attempt to persuade, either in Executive's individual capacity or as agent for another, any of the Corporation's, the Partnership's or any of their subsidiaries' officers, employees or agents to discontinue their relationship with the Corporation, the Partnership or any of their subsidiaries nor divert or attempt to divert from the Corporation, the Partnership or any of their subsidiaries any business whatsoever by influencing or attempting to influence any contractor, lessee or supplier of the Corporation, the Partnership or any of their subsidiaries.

7. Assignment. This Agreement shall inure to the benefit of and be binding upon the Corporation, the Partnership and their successors and assigns, and upon the Executive and Executive's heirs, executors, administrators and legal representatives. The Corporation and the Partnership will require any successor or assign to all or substantially all of their business or assets to assume and perform this Agreement in the same manner and to the same extent that the Corporation and the Partnership would be required to perform if no such succession or assignment had taken place. This Agreement shall not be assignable by the Executive.

8. No Third Party Beneficiaries. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement, except as provided in Section 7 hereof.

9. Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

10. Interpretation. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear.

11. Notices. All notices under this Agreement shall be in writing and shall be deemed to have been given at the time when mailed by registered or certified mail, addressed to the address below stated of the party to which notice is given, or to such changed address as such party may have fixed by notice:

To the Corporation
or the Partnership:

Cedar Realty Trust, Inc.
44 South Bayles Avenue
Port Washington, NY 11050
Attn: President

To the Executive:

Brenda J. Walker
30 Pheasant Run Lane
Dix Hills, NY 11746

provided, however, that any notice of change of address shall be effective only upon receipt.

12. Waivers. If either party should waive any breach of any provision of this Agreement, he or it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

13. Complete Agreement; Amendments. The foregoing is the entire agreement of the parties with respect to the subject matter hereof and may not be amended, supplemented, cancelled or discharged except by written instrument executed by both parties hereto.

14. Governing Law. This Agreement is to be governed by and construed in accordance with the laws of the State of New York without giving effect to principles of conflicts of law.

15. Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the same counterpart.

16. Arbitration. Mindful of the high cost of litigation, not only in dollars but time and energy as well, the parties intend to and do hereby establish a quick, final and binding out-of-court dispute resolution procedure to be followed in the unlikely event any controversy should arise out of or concerning the performance of this Agreement. Accordingly, the parties do hereby covenant and agree that any controversy, dispute or claim of whatever nature arising out of, in connection with or in relation to the interpretation, performance or breach of this Agreement, including any claim based on contract, tort or statute, shall be settled, at the request of any party to this Agreement, through arbitration by a dispute resolution process administered by JAMS or any other mutually agreed upon arbitration firm involving final and binding arbitration conducted at a location determined by the arbitrator in New York City administered by and in accordance with the then existing rules of practice and procedure of such arbitration firm and judgment upon any award rendered by the arbitrator may be entered by any state or federal court having jurisdiction thereof; provided, however, that the Corporation and the Partnership shall be entitled to seek judicial relief to enforce the provisions of Sections 5 and 6 of this Agreement.

17. Indemnification. During this Agreement and thereafter, the Corporation and the Partnership shall indemnify the Executive to the fullest extent permitted by law against any judgments, fine, amounts paid in settlement and reasonable expenses (including attorneys' fees) in connection with any claim, action or proceeding (whether civil or criminal) against the Executive as a result of the Executive serving as an officer or director of the Corporation or the Partnership, in or with regard to any other entity, employee benefit plan or enterprise (other than arising out of the Executive's act of willful misconduct, gross negligence, misappropriation of funds, fraud or breach of this Agreement). This indemnification shall be in addition to, and not in lieu of, any other indemnification the Executive shall be entitled to pursuant to the Corporation's or Partnership's Articles of Incorporation, By-Laws, Agreement of Limited Partnership or otherwise. Following the Executive's termination of employment, the Corporation and the Partnership shall continue to cover the Executive under the then existing director's and officer's insurance, if any, for the period during which the Executive may be subject to potential liability for any claim, action or proceeding (whether civil or criminal) as a result of his service as an officer or director of the Corporation or the Partnership or in any capacity at the request of the Corporation or the Partnership, in or with regard to any other entity, employee benefit plan or enterprise on the same terms such coverage was provided during this Agreement, at the highest level then maintained for any then current or former officer or director.

18. Section 409A.

18.1 It is the intention of the Corporation and the Partnership that all payments and benefits under this Agreement shall be made and provided in a manner that is either exempt from or intended to avoid taxation under Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), to the extent applicable. Any ambiguity in this Agreement shall be interpreted to comply with the above. The Executive acknowledges that the Corporation and the Partnership have made no representations as to the treatment of the compensation and benefits provided hereunder and the Executive has been advised to obtain his own tax advice.

18.2 Each amount or benefit payable pursuant to this Agreement shall be deemed a separate payment for purposes of Section 409A.

18.3 For all purposes under this Agreement, any iteration of the word "termination" (e.g., "terminated") with respect to the Executive's employment, shall mean a separation from service within the meaning of Section 409A.

18.4 Notwithstanding anything in this Agreement to the contrary, in the event the stock of the Corporation is publicly traded on an established securities market or otherwise and the Executive is a "specified employee" (as determined under the Corporation's administrative procedure for such determinations, in accordance with Section 409A) at the time of the Executive's termination of employment, any payments under this Agreement that are deemed to be deferred compensation subject to Section 409A shall not be paid or begin payment until the earlier of (i) the Executive's death or (ii) the first payroll date following the six (6) month anniversary of the Executive's date of termination of employment; provided, however, that the Corporation if so requested by the Executive agrees to contribute any such payments required to be made to the Executive to a rabbi trust established by the Corporation for the benefit of the Executive.

18.5 Any reimbursements provided under this Agreement shall be made no later than the December 31st following the year in which such expenses are incurred, or such earlier date as provided under any plan or policy of the Corporation or Partnership, as applicable.

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

Cedar Realty Trust, Inc.

By: /s/ Bruce J. Schanzer

Title: President

Cedar Realty Trust Partnership, L.P.

By: Cedar Realty Trust, Inc.,
General Partner

By: /s/ Bruce J. Schanzer

Title: President

/s/ Brenda J. Walker

Brenda J. Walker

CEDAR REALTY TRUST, INC.
SUBSIDIARIES OF THE REGISTRANT

Entity	Jurisdiction
11501 Roosevelt Holdings, LLC	Delaware
Academy Plaza L.L.C 1	Delaware
Academy Plaza L.L.C. 2	Delaware
Cedar-Acquisition 1, LLC	Delaware
Cedar-Acquisition 10, LLC	Delaware
Cedar-Acquisition 3, LLC	Delaware
Cedar-Acquisition 5, LLC	Delaware
Cedar-Acquisition 6, LLC	Delaware
Cedar-Acquisition 7, LLC	Delaware
Cedar-Acquisition 8, LLC	Delaware
Cedar-Acquisition 9, LLC	Delaware
Cedar-Annie Land, LLC	Delaware
Cedar-Arlington Road LLC	Delaware
Cedar-Bailey Road LLC	Delaware
Cedar-Bergstrasse, LLC	Delaware
Cedar-Bloomsburg, LLC	Delaware
Cedar Brickyard, LLC	Delaware
Cedar Brickyard II, LLC	Delaware
Cedar-Bristol, LLC	Delaware
Cedar-Campbelltown, LLC	Delaware
Cedar-Camp Hill, LLC	Delaware
Cedar Camp Hill GP, LLC	Delaware
Cedar Carbondale, LLC	Delaware
Cedar-Carll's Corner, LLC	Delaware
Cedar Carmans, LLC	Delaware
Cedar-Carrollton LLC	Delaware
Cedar Center Holdings L.L.C. 3	Delaware
Cedar-Circle, LLC	Delaware
Cedar-Dover Plaza LLC	Delaware
Cedar Dover Plains, LLC	Delaware
Cedar Dubois, LLC	Delaware
Cedar-Dunmore LLC	Delaware
Cedar-Elmhurst, LLC	Delaware
Cedar-Enon, LLC	Delaware
Cedar-Fairview Commons, LLC	Delaware
Cedar-Fieldstone SPE, LLC	Delaware
Cedar-Fieldstone Marketplace, LP	Delaware
Cedar-FL, LLC	Delaware
Cedar-Fort Washington LLC	Delaware
Cedar-Franklin Village 2 LLC	Delaware
Cedar-Franklin Village LLC	Delaware
Cedar-Fredericksburg UK, LLC	Delaware
Cedar-Gahanna, LLC	Delaware
Cedar-GD LLC	Delaware
Cedar-Geneseo LLC	Delaware
Cedar-Glen Allen UK, LLC	Delaware
Cedar Golden Triangle LLC	Delaware
Cedar-Groton, LLC	Delaware
Cedar Halifax III, LLC	Delaware

Entity	Jurisdiction
Cedar Halifax II, LLC	Delaware
Cedar-Halifax Land, LLC	Delaware
Cedar-Hamburg, LLC	Delaware
Cedar-Hamilton, LLC	Delaware
Cedar-HD, LLC	Delaware
Cedar-Hilliard, LLC	Delaware
Cedar-Hudson Plaza LLC	Delaware
Cedar Huntingdon, LLC	Delaware
Cedar-Jordan Lane, LLC	Delaware
Cedar-Kenley Village, LLC	Delaware
Cedar-Kent LLC	Delaware
Cedar-Kings, LLC	Delaware
Cedar-Kutztown, LLC	Delaware
Cedar Lake Raystown, LLC	Delaware
Cedar Lender LLC	Delaware
Cedar-LGN, LLC	Delaware
Cedar-LGN TIC, LLC	Delaware
Cedar-Liberty Marketplace LLC	Delaware
Cedar-Limerick, LLC	Delaware
Cedar-Long Reach, LLC	Delaware
Cedar-McCormick Place LLC	Delaware
Cedar Meadows Marketplace GP, LLC	Delaware
Cedar Meadows Marketplace LP, LLC	Delaware
Cedar-Meadows Marketplace, LP	Delaware
Cedar-Mechanicsburg LLC	Delaware
Cedar-Medina LLC	Delaware
Cedar-Metro Square I, LLC	Delaware
Cedar-Metro Square II, LLC	Delaware
Cedar-Metro Square Loan, LLC	Delaware
Cedar-Mill River, LLC	Delaware
Cedar-New London SPE, LLC	Delaware
Cedar-Newport Land, LLC	Delaware
Cedar-Norwood, LLC	Delaware
Cedar-Oakhurst, LLC	Delaware
Cedar-Oakland Mills, LLC	Delaware
Cedar-Oak Ridge, LLC	Delaware
Cedar-Oregon Pike, LLC	Delaware
Cedar-Oswego LLC	Delaware
Cedar-Palmyra, LLC	Delaware
Cedar-PC Annex, LLC	Delaware
Cedar-PC Plaza, LLC	Delaware
Cedar PCP-New London, LLC	Delaware
Cedar PCP-San Souci, LLC	Delaware
Cedar Penn Square Tavern, LLC	Delaware
Cedar-Point Limited Partner LLC	Delaware
Cedar-Pottsgrove, LLC	Delaware
Cedar-Powell Plaza LLC	Delaware
Cedar-Revere LLC	Delaware
Cedar-Reynoldsburg Lender LLC	Delaware
Cedar-Richboro GP, LLC	Delaware
Cedar-Richboro LP, LLC	Delaware

Entity	Jurisdiction
Cedar-Riverview LLC	Delaware
Cedar-Riverview LP	Pennsylvania
Cedar-Roosevelt II, LLC	Delaware
Cedar-San Souci SPE, LLC	Delaware
Cedar-Second Member LLC	Delaware
Cedar Realty Trust Partnership, L.P.	Delaware
Cedar-Shore, LLC	Delaware
Cedar-Smithfield II, LLC	Delaware
Cedar Southington Plaza, LLC	Delaware
Cedar-South Philadelphia II, LLC	Delaware
Cedar-South Philadelphia I, LLC	Delaware
Cedar St. James, LLC	Delaware
Cedar Sunset Crossing LLC	Delaware
Cedar-Timpany, LLC	Delaware
Cedar Townfair, LLC	Delaware
Cedar Townfair Phase III, LLC	Delaware
Cedar-Trexler Hamilton, LLC	Delaware
Cedar-Trexler, LLC	Delaware
Cedar-Trexler Plaza 2, LLC	Delaware
Cedar-Trexler Plaza 3, LLC	Delaware
Cedar-Trexler SPE, LLC	Delaware
Cedar-Valley Plaza LLC	Delaware
Cedar-West Bridgewater, LLC	Delaware
Cedar-Westfield LLC	Delaware
Cedar-Westlake LLC	Delaware
Cedar-Yorktowne, LLC	Delaware
Cedar-Zanesville LLC	Delaware
CIF-Fairport Associates, LLC	Delaware
CIF-Fairview Plaza Associates, LLC	Delaware
CIF Halifax Plaza Associates, LLC	Delaware
CIF Loyal Plaza Associates Corp.	Delaware
CIF-Newport Plaza Associates, LLC	Delaware
CIF-Pine Grove Pad Associates LLC	Delaware
CIF-Pine Grove Plaza Associates LLC	Delaware
Coliseum FF, LLC	Virginia
CSC Colonial Commons GP LLC	Delaware
CSC Colonial Commons Holdings LLC	Delaware
CSC Colonial Commons LLC	Delaware
CSC Colonial Commons Partnership, L.P.	Delaware
CSC Colonial Commons Subtenant Holdings LLC	Delaware
CSC Colonial Commons Subtenant LLC	Delaware
CSC Franklin Village GP LLC	Delaware
CSC Franklin Village LP	Delaware
CSC Mount Pocono Crossing, LLC	Delaware
CSC-Riverview LLC	Delaware
East Little Creek KFC, LLC	Virginia
Fairport Associates, L.P.	Delaware
Fairview Plaza Associates, L.P.	Delaware
Fort Washington Fitness, L.P.	Delaware
Gold Star Plaza Associates	Pennsylvania
Gold Star Realty, Inc.	Pennsylvania

Entity	Jurisdiction
Greentree Road L.L.C. 1	Delaware
Greentree Road L.L.C. 2	Delaware
Halifax Plaza Associates, L.P.	Delaware
Hamilton FC Associates, L.P.	PA
LGN Associates of New Jersey, L.P.	New Jersey
LGN-Rickson Corp.	New Jersey
Newport Plaza Associates, L.P.	Delaware
Oakland Mills Business Trust	Maryland
Pine Grove Pad Associates, LLC	Delaware
Pine Grove Plaza Associates, LLC	Delaware
Port Richmond L.L.C. 1	Delaware
Port Richmond L.L.C. 2	Delaware
Richboro CD Partners, L.P.	Pennsylvania
Shore Mall Associates, L.P.	New Jersey
Swede Square Associates II, LP	Delaware
Swede Square Associates LLC	Delaware
Swede Square Holdings LLC	Delaware
The Point Associates, L.P.	Pennsylvania
The Point Shopping Center LLC	Delaware
Virginia General Booth LLC	Virginia
Virginia Kempsville LLC	Virginia
Virginia Little Creek LLC	Virginia
Virginia Smithfield LLC	Virginia
Virginia Suffolk LLC	Virginia
Washington Center L.L.C. 1	Delaware
Washington Center L.L.C. 2	Delaware

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-164715) of Cedar Realty Trust, Inc.,
- (2) Registration Statement (Form S-3 No. 333-169035) of Cedar Realty Trust, Inc.,
- (3) Registration Statement (Form S-3 No. 333-179956) of Cedar Realty Trust, Inc.,
- (4) Registration Statement (Form S-8 No. 333-118361) pertaining to the 1998 Stock Option Plan and the 2004 Stock Incentive Plan of Cedar Realty Trust, Inc.,
- (5) Registration Statement (Form S-8 No. 333-179935) pertaining to an amendment to Registration Statement (Form S-8 No. 333-118361) pertaining to the 1998 Stock Option Plan and the 2004 Stock Incentive Plan of Cedar Realty Trust, Inc., and
- (6) Registration Statement (Form S-8 No. 333-183205) pertaining to the 2012 Stock Incentive Plan of Cedar Realty Trust, Inc.

of our reports dated March 7, 2013, with respect to the consolidated financial statements and schedule of Cedar Realty Trust, Inc. and the effectiveness of internal control over financial reporting of Cedar Realty Trust, Inc., included in this Annual Report (Form 10-K) of Cedar Realty Trust, Inc. for the year ended December 31, 2012.

/s/ ERNST & YOUNG LLP

New York, New York
March 7, 2013

CERTIFICATION

I, Bruce J. Schanzer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cedar Realty Trust, Inc. (the “Company” or “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 7, 2013

/s/ BRUCE J. SCHANZER

Bruce J. Schanzer, Chief Executive Officer

CERTIFICATION

I, Philip R. Mays, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cedar Realty Trust, Inc. (the “Company” or “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 7, 2013

/s/ PHILIP R. MAYS

Philip R. Mays, Chief Financial Officer

CERTIFICATION

I, Bruce J. Schanzer, Chief Executive Officer of Cedar Realty Trust, Inc. (the "Company"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify as follows:

1. The Annual Report on Form 10-K of the Company for the period ended December 31, 2012 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, I have executed this Certification this 7th day of March, 2013.

/s/ BRUCE J. SCHANZER

Bruce J. Schanzer, Chief Executive Officer

CERTIFICATION

I, Philip R. Mays, Chief Financial Officer of Cedar Realty Trust, Inc. (the "Company"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify as follows:

1. The Annual Report on Form 10-K of the Company for the period ended December 31, 2012, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, I have executed this Certification this 7th day of March, 2013.

/s/ PHILIP R. MAYS

Philip R. Mays, Chief Financial Officer