

5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(E) AND 2(F)	[]
6.	CITIZENSHIP OR PLACE OF ORGANIZATION	New York
7.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	0
8.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES	[]
9.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (7)	0
10.	TYPE OF REPORTING PERSON	PN

This Schedule 14D-1 relates to a tender offer by Cedar Bay Company, a New York general partnership (the "Purchaser"), to purchase up to, but not less than a majority of, 2,245,411 shares of Common Stock, par value \$1.00 per share (the "Shares"), of Cedar Income Fund, Ltd., an Iowa business corporation (the "Company"), at a price of \$7.00 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase (the "Offer to Purchase") and the Letter of Transmittal (which together constitute the "Offer"), which are annexed to and filed with this Schedule 14D-1 as Exhibits (a)(1) and (a)(2), respectively. This Schedule 14D-1 is being filed by the Purchaser.

2

CUSIP No. 15043810

14D-1

Page 3 of 7 Pages

ITEM 1. SECURITY AND SUBJECT COMPANY.

(a) The name of the subject company is Cedar Income Fund, Ltd., an Iowa business corporation (the "Company"). The address of its principal executive offices is 4333 Edgewood Road, N.E., Cedar Rapids, Iowa 52499.

(b) The Purchaser, a New York general partnership, seeks to purchase, pursuant to the terms of the Offer, up to 100% of, but not less than a majority of, the 2,245,411 shares of common stock, par value \$1.00 per share (the "Shares") that are currently outstanding, at \$7.00 per Share net to the seller in cash. Reference is hereby made to the information set forth in Section 9 ("Price Range of the Shares; Dividends") of the Offer to Purchase, which is incorporated herein by reference.

ITEM 2. IDENTITY AND BACKGROUND.

(a) - (d) Reference is hereby made to the information set forth in the "Introduction" and Section 3 ("Certain Information Concerning the Purchaser and its Affiliates") and Schedule I of the Offer to Purchase, each of which is incorporated herein by reference.

(e) - (f) During the last five years, none of the Purchaser, nor, to the best of its knowledge, any of its partners, nor any of their respective corporate general partners (or any of their respective executive officers or directors), directors or officers, as the case may be, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding any such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

(g) Reference is made to the information set forth in Schedule I ("Partners, Directors and Executive Officers of the Purchaser and its Affiliates") of the Offer to Purchase, which is incorporated herein by reference.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY

(a) - (b) Except as described in Item 7 herein, there have been no transactions between the Purchaser (the person filing this Schedule 14D-1) and the Company (the subject company), or any of its employees, directors, executive officers, controlling persons or affiliates during the three full fiscal years preceding the date of this Schedule 14D-1. Reference is also hereby made to the information set forth in the "Introduction," Section 3 ("Certain Information Concerning the Purchaser and its Affiliates") and Section 10 ("Background of the Transaction -- Memorandum of Understanding and Tender Agreement") of the Offer to Purchase, which is incorporated herein by

reference.

3

CUSIP No. 15043810

14D-1

Page 4 of 7 Pages

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) - (c) Reference is hereby made to the information set forth in Section 7 ("Financing of the Offer") of the Offer to Purchase, which is incorporated herein by reference.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

(a) - (g) Reference is hereby made to the information set forth in the "Introduction," Section 1 ("Background of the Transaction -- Memorandum of Understanding and Tender Agreement"), Section 2 ("Purpose and Effects of the Offer -- Operations Following Consummation of the Offer and Interests of SKR and Others in the Transaction") and Section 5 ("Effect of the Offer on the Market for the Shares; NASDAQ Listing; Exchange Act Registration; Status as Real Estate Investment Trust"), of the Offer to Purchase, which is incorporated herein by reference.

ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) None.

(b) Reference is hereby made to the information set forth in Section 1 ("Background of the Transaction -- Memorandum of Understanding and Tender Agreement") of the Offer to Purchase, which is incorporated herein by reference. Except pursuant to the Offer described herein, neither the Purchaser, nor, to the best of its knowledge, any of its executive officers or partners, (or the directors or executive officers of each such partners' respective corporate general partners) has any beneficial interest in or right to acquire any of the Shares.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

Reference is hereby made to the information set forth in the "Introduction," Section 1 ("Background of the Transaction -- Memorandum of Understanding and Tender Agreement") and Section 3 ("Certain Information Concerning the Purchaser and its Affiliates") of the Offer to Purchase, which is incorporated herein by reference.

4

CUSIP No. 15043810

14D-1

Page 5 of 7 Pages

ITEM 8. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

Reference is hereby made to the information set forth in Section 13 ("Certain Fees and Expenses") of the Offer to Purchase, which is incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

The Purchaser does not believe that its financial condition is material to a decision by any stockholder of the Company to sell, tender or hold Shares being sought in the Offer, and accordingly, financial statements of the Purchaser have not been included in this Schedule 14D-1 or the Offer to Purchase.

ITEM 10. ADDITIONAL INFORMATION.

(a) N/A

(b) Reference is hereby made to the information set forth in the "Introduction" and Section 12 ("Certain Legal and Regulatory Matters") of the Offer to Purchase, which is incorporated herein by reference.

(c) N/A

(d) N/A

(e) To the best knowledge of the Purchaser, no such proceedings are pending or have been instituted.

(f) Reference is hereby made to the Offer to Purchase and the related Letter of Transmittal, each of which is incorporated herein by reference.

5

CUSIP No. 15043810

14D-1

Page 6 of 7 Pages

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

<TABLE>
<CAPTION>
EXHIBIT
NO.

<S> <C>

- (1) -- Offer to Purchase, dated January 12, 1998.
- (2) -- Letter of Transmittal.
- (3) -- Notice of Guaranteed Delivery.
- (4) -- Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.
- (5) -- Form of Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.
- (6) -- Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.
- (7) -- Press release issued by the Purchaser on January 12, 1998.
- (8) -- Commitment Letter, dated as of January 6, 1998, between the Purchaser and Titan Management, L.P.
- (9) -- Memorandum of Understanding, dated as of December 5, 1997, between SKR Management Corp. ("SKR") and the Company (incorporated by reference to Exhibit No. 2.1 of the Company's Current Report on Form 8-K (the "Cedar 8-K") filed with the Securities and Exchange Commission by the Company on December 8, 1997, File No. 0-14510).
- (10) -- Tender Agreement, dated as of December 5, 1997, among SKR, Aegon Advisors and certain of the affiliates of Aegon Advisors (incorporated by reference to Exhibit No. 2.3 of the Cedar 8-K).

</TABLE>

6

CUSIP No. 15043810

14D-1

Page 6 of 7 Pages

After due inquiry and to the best of my knowledge and belief, I certify that the information in this statement is true, complete and correct.

CEDAR BAY COMPANY

By: /s/ Leo S. Ullman

Name: Leo S. Ullman
Title: Chief Executive Officer

Dated: January 12, 1998

7

EXHIBIT INDEX

EXHIBIT
NO.

DESCRIPTION

- | EXHIBIT NO. | DESCRIPTION |
|-------------|--|
| (1) -- | Offer to Purchase, dated January 12, 1998. |
| (2) -- | Letter of Transmittal. |
| (3) -- | Notice of Guaranteed Delivery. |
| (4) -- | Form Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Nominees. |
| (5) -- | Form of Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Nominees. |
| (6) -- | Guidelines of the Internal Revenue Service for Certification of taxpayer Identification Number on Substitute Form W-9. |
| (7) -- | Press release issued by the Purchaser on January 12, 1998. |
| (8) -- | Commitment Letter, dated as of January 6, 1998, between the Purchaser and Titan Management, L.P. |
| (9) -- | Memorandum of Understanding, dated as of December 5, 1997, between SKR Management Corp. ("SKR") and the Company (incorporated by reference to Exhibit No. 2.1 of the Company's Current Report on Form 8-K (the "Cedar 8-K") filed with the Securities and Exchange Commission by the Company on December 8, 1997, File No. 0-14510). |
| (10) -- | Tender Agreement, dated as of December 5, 1997, among SKR, Aegon Advisors and certain of the affiliates of Aegon Advisors (incorporated by reference to Exhibit No. 2.3 of the Cedar 8-K). |

Offer to Purchase for Cash
All Outstanding Shares of Common Stock
of

CEDAR INCOME FUND, LTD.

at
\$7.00 Net Per Share
by

CEDAR BAY COMPANY

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY
TIME, ON FEBRUARY 10, 1998, UNLESS THE OFFER IS EXTENDED.

AMONG OTHER CONDITIONS, THIS OFFER IS CONDITIONED UPON AT LEAST A MAJORITY OF THE OUTSTANDING SHARES OF COMMON STOCK OF CEDAR INCOME FUND, LTD. ("COMPANY") BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION DATE. SEE SECTION 10. THE BOARD OF DIRECTORS OF THE COMPANY HAS APPROVED THE OFFER AND HAS DETERMINED, BASED IN PART UPON THE OPINION OF THE COMPANY'S FINANCIAL ADVISOR, THAT THE OFFER IS FAIR FROM A FINANCIAL POINT OF VIEW TO THE HOLDERS OF SHARES, AND RECOMMENDS THAT HOLDERS TENDER ALL OF THEIR SHARES TO THE PURCHASER PURSUANT TO THE OFFER.

IMPORTANT

Any stockholder desiring to tender any or all of his Shares should either (a) complete and sign the Letter of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letter of Transmittal, mail or deliver it and any other required documents to the Depositary and either deliver the certificates for such Shares to the Depositary along with the Letter of Transmittal or deliver such Shares pursuant to the procedure for the book-entry transfer set forth in Section 8 herein or (b) request his broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him. A stockholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such person if he desires to tender his Shares.

A stockholder who desires to tender his Shares and whose certificates for such Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, may tender such Shares by following the procedures for guaranteed delivery set forth in Section 8 herein.

Questions and requests for assistance may be directed to the Information Agent at its address and telephone number as set forth on the back cover of this Offer to Purchase, and will be furnished promptly at the Purchaser's expense.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF SUCH TRANSACTION NOR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The Information Agent for the Offer is:

GEORGESON
& COMPANY INC.

January 12, 1998

TABLE OF CONTENTS

<TABLE>
<CAPTION>

	Page

<S> <C>	<C>
INTRODUCTION	1
SPECIAL FACTORS	1
1. Background of the Transaction -- Memorandum of Understanding and Tender Agreement	1
2. Purpose and Effects of the Offer -- Operations Following Consummation of the Offer and Interests of SKR and Others in the Transaction	3
3. Certain Information Concerning the Purchaser and its Affiliates	4

4. Certain Information Concerning the Company	5
5. Effect of the Offer on the Market for the Shares; NASDAQ Listing; Exchange Act Registration; Status as Real Estate Investment Trust	6
6. Certain Federal Income Tax Consequences to Stockholders	7
7. Financing of the Offer	8
THE TENDER OFFER	9
8. Terms of the Offer	9
9. Price Range of the Shares; Dividends	14
10. Certain Conditions of the Offer	14
11. Extension of Offer Period -- Amendment and Termination	15
12. Certain Legal and Regulatory Matters	16
13. Certain Fees and Expenses	16
14. Miscellaneous	17
SCHEDULE I	
Partners, Directors And Executive Officers Of The Purchaser and Its Affiliates..	18
SCHEDULE II	
Beneficial Ownership Of Shares And Transactions During Past 60 Days By Certain Directors And Executive Officers	21

</TABLE>

To All Holders of Shares of Common Stock of
Cedar Income Fund, Ltd:

INTRODUCTION

Cedar Bay Company, a New York general partnership ("Purchaser"), hereby offers to purchase all, but not less than a majority, of the outstanding shares of common stock, par value \$1.00 per share ("Shares"), of CEDAR INCOME FUND, LTD., an Iowa business corporation ("Company"), at a price of \$7.00 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which together constitute the "Offer"). Tendering stockholders of the Company will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, stock transfer taxes on the sale of Shares pursuant to the Offer. The Purchaser will pay all fees and expenses of The Bank of New York, which is acting as the depositary bank in connection with the Offer ("Depositary"), as well as all fees and expenses of Georgeson & Company Inc., which is acting as the information agent in connection with the Offer ("Information Agent").

According to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997 ("September 30, 1997 10-Q"), there were 2,245,411 Shares outstanding as of September 30, 1997. Certain stockholders of the Company ("Selling Stockholders"), owning an aggregate of approximately 26% of the outstanding Shares, have entered into an agreement ("Tender Agreement") with SKR Management Corp. ("SKR"), an affiliate of the Purchaser (SKR has assigned all of its rights in the Tender Agreement to the Purchaser), pursuant to which such Selling Stockholders have agreed to tender their Shares to the Purchaser pursuant to the Offer, subject to certain conditions described therein. The Selling Stockholders consist of AEGON USA Realty Advisors, Inc. ("Existing Advisor"), and its wholly-owned subsidiaries PFL Life Insurance Company, Bankers United Life Assurance Company, Life Investors Insurance Company of America ("LIICA") and First AUSA Life Insurance Company. See Section 3 for additional information concerning the Purchaser and its affiliates.

THE BOARD OF DIRECTORS OF THE COMPANY HAS APPROVED THE OFFER AND HAS DETERMINED, BASED IN PART UPON THE OPINION OF THE COMPANY'S FINANCIAL ADVISOR, THAT THE OFFER IS FAIR FROM A FINANCIAL POINT OF VIEW TO THE SHAREHOLDERS AND RECOMMENDS THAT SHAREHOLDERS TENDER ALL OF THEIR SHARES TO THE PURCHASER PURSUANT TO THE OFFER.

The Offer is being made pursuant to a Memorandum of Understanding ("Memorandum of Understanding"), dated as of December 5, 1997, between the Company and SKR Management Corp. ("SKR"), an affiliate of the Purchaser. SKR has assigned its rights under the Memorandum of Understanding to the Purchaser. The purpose of the Offer is to enable the Purchaser to acquire all, but not less than a majority, of the outstanding Shares. Thereafter, the Purchaser will endeavor to continue the Company's business and status as a "real estate investment trust" ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code").

THIS OFFER IS SUBJECT TO CERTAIN TERMS AND CONDITIONS AND THIS OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

1. Background of the Transaction -- Memorandum of Understanding and Tender Agreement.

Background of the Transaction. On April 27, 1997, Mr. Leo S. Ullman, President of SKR, and Mr. Patrick E. Falconio, Chairman of the Board of the Company, discussed a possible transaction between SKR and the Company. On May 15, 1997, Mr. Ullman, on behalf of SKR, transmitted a written proposal to the Company to purchase all of the outstanding Shares for \$5.00 per Share. On July 8, 1997, SKR and the Company signed a confidentiality agreement regarding certain information being provided by the Company to SKR. Based on a subsequent review of the properties owned by the Company and of certain other financial information regarding the Company, on July 11, 1997, SKR issued a written proposal to the Company increasing the proposed price to \$7.00 per Share. On August 28, 1997, SKR requested certain financial information from the Company. From September 2, 1997 through September 5, 1997, representatives of SKR visited the various properties owned by the Company, and met with representatives of the Existing Advisor and the Company, for valuation and due diligence purposes. On September 22, 1997, Mr. Roland Palm, a consultant to SKR, attended a meeting of the Board of Directors of the Company to discuss SKR's July 11, 1997 proposal and to present to the Company's Board of Directors an overview of SKR's operations.

On September 24, 1997, the Company provided to SKR for review an initial draft of the Memorandum of Understanding. Shortly thereafter, the Company provided to SKR an initial draft of the Tender Agreement. Thereafter and through December 4, 1997, the Company, the Selling Stockholders and SKR, and their respective counsel, negotiated the terms and conditions of the Memorandum of Understanding and the Tender Agreement, and on December 5, 1997, the Company and SKR entered into the Memorandum of Understanding, and SKR and the Selling Stockholders entered into the Tender Agreement.

Set forth below are summaries of the Memorandum of Understanding and the Tender Agreement. Copies of the Memorandum of Understanding and the Tender Agreement were attached as exhibits to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission (the "Commission") on December 8, 1997.

Memorandum of Understanding. On December 5, 1997, the Company and SKR entered into the Memorandum of Understanding pursuant to which SKR (or its affiliate), based on the terms and conditions set forth therein, would be required to commence the Offer for a price of not less than \$7.00 per Share. In connection therewith, SKR was required to place into an escrow account \$750,000 (the "Earnest Money Deposit"). The Company is entitled to retain the Earnest Money Deposit except if, generally, (i) the Company enters into a contract with a third party for the sale or other disposition of all or substantially all of the Company or enters into certain other transactions described therein, (ii) assuming that the Offer is timely commenced, the Offer is not consummated as a result of a failure of any of the Tender Offer Conditions, (iii) the Company breaches the Memorandum of Understanding, (iv) the Company's Board of Directors does not recommend to the Company's shareholders that they tender their Shares pursuant to the Offer or withdraws such recommendation, (v) the various agreements with the Existing Advisor and its affiliates are not terminated upon consummation of the Offer, or (vi) payment for the Shares occurs prior to February 12, 1998.

The Memorandum of Understanding also provides for certain covenants of the Company regarding the conduct of its business relative to the period of time between the date thereof and the consummation of the Offer. The Memorandum of Understanding also governs the respective rights and obligations of the Purchaser and the Company in the event of a Competing Transaction (as defined in the Memorandum of Understanding).

Tender Agreement. As contemplated by the Memorandum of Understanding, SKR and the Selling Stockholders entered into the Tender Agreement in order to induce SKR to execute the Memorandum of Understanding and in consideration of the substantial expenses incurred and to be incurred by SKR and its affiliates in connection therewith. The Selling Stockholders agreed, subject to certain conditions, to tender or cause to be tendered to SKR pursuant to the Offer all of their Shares. Other than the purchase price to be paid to the Selling Stockholders upon any tender of their Shares to the Purchaser in accordance with the Offer, no consideration was paid or required to be paid to such Selling Stockholders by SKR or its affiliates in connection with the execution of the Tender Agreement.

In addition, the Tender Agreement provides for a "purchase option" with respect to the Shares owned by the Selling Stockholders (the "Option") exercisable by SKR under certain circumstances. Pursuant to the terms of the Memorandum of Understanding and the Tender Agreement, SKR has assigned its rights therein, respectively, to the Purchaser. Upon (i) receipt of notice from the Selling Stockholders of a "Triggering Event," which is defined as the proposal by any person or group of persons of a Competing Transaction (as

defined in the Tender Agreement) in which the consideration to be received by holders of Shares is in excess of \$7.00 per share in cash and which is applicable to each Share outstanding (other than any Shares owned by the person or group of persons proposing such Competing Transaction or any of their respective affiliates), and (ii) the withdrawal by the Board of Directors of the Company of its recommendation or proposed recommendation to the shareholders of the Company that they tender their shares in the Offer, the Purchaser has the right, pursuant to the Tender Agreement, to purchase all of the Shares owned by the Selling Stockholders at a price determined as described below.

The purchase price payable by the Purchaser upon exercise of the Option would be equal to the price per Share payable in the Competing Transaction giving rise to the Triggering Event; provided, however, in the event the price per share paid in the Offer or in such Competing Transaction is increased (i) after the Purchaser has given notice of its intent to exercise the Option, then the Purchaser would pay to the Selling Stockholders in cash at the closing an additional amount per share for the shares to be purchased pursuant to the Option equal to the difference between (x) the highest price per share paid or to be paid by the Purchaser in the Offer or in such Competing Transaction, as applicable, and (y) the per share purchase price previously anticipated to be paid by the Purchaser to the Selling Stockholders, or (ii) after the Purchaser has purchased the shares pursuant to the Option, then the Purchaser would promptly pay to the Selling Stockholders in cash an additional amount per share for the Shares so purchased equal to the difference between (x) the highest price per share paid by the Purchaser in the Offer or in any Competing Transaction, as applicable, and (y) the per share purchase price previously paid by the Purchaser to the Selling Stockholders.

2. Purpose and Effects of the Offer -- Operations Following Consummation of the Offer and Interests of SKR and Others in the Transaction.

Purpose and Effects of the Offer. The purpose of the Offer is to enable the Purchaser to acquire all, but not less than a majority, of the outstanding Shares. Thereafter, the Purchaser will endeavor to continue the Company's business and status as a "real estate investment trust" under the Code.

After the consummation or termination of the Offer, the Purchaser reserves the right to purchase in accordance with applicable laws and regulations additional Shares in the open market, in privately-negotiated transactions, or otherwise. Any additional purchase of Shares could be at a price higher or lower than the price to be paid for Shares in the Offer and could be for cash or other consideration. Alternatively, the Purchaser may sell or otherwise dispose of any or all Shares acquired pursuant to the Offer or otherwise. Such transactions may be reflected on terms and at prices then determined by the Purchaser, which may vary from the price paid for Shares in the Offer.

Operations Following Consummation of the Offer and Interests of SKR and Others in the Transaction. The Company has been advised and administered by the Existing Advisor and its affiliates since the Company's initial public offering in 1986 pursuant to an administrative and advisory agreement, a management agreement and a shareholder services agreement. Upon consummation of the Offer and the election of the new members of the Board of Directors of the Company by the Purchaser, the Company will enter into: (i) an administrative and advisory agreement pursuant to which the Purchaser or its affiliates will replace the Existing Advisor as the advisor to the Company, and (ii) a management agreement pursuant to which the Purchaser or its affiliates will be engaged as a property manager for the Company's real estate investments. Each of these agreements will contain terms which are substantially similar to the terms of the existing agreements between the Existing Advisor and its affiliates and the Company. Leo S. Ullman will be the chief executive officer of the new advisor and the new management company. See Schedule I hereto for additional information concerning the proposed directors and executive officers of the Purchaser, the Company, SKR, Cedar Bay Realty Advisors, Inc. (the new advisor to the Company following the consummation of the Offer) and Brentway Management LLC (the new property manager to the Company following consummation of the Offer).

As soon as practicable after the consummation of the Offer and the election of the new Board of Directors, the Purchaser may call a meeting of the Company's shareholders in accordance with applicable law for the purpose of considering possible proposals to amend the Restated Articles of Incorporation of the Company (and, if necessary or appropriate, the Bylaws of the Company) and to take such other actions as are necessary or appropriate (i) to facilitate the acquisition and disposition of properties and other assets by the Company and otherwise to facilitate the growth of the Company, (ii) to enhance the Company's ability to raise funds through public or private offerings of securities (including, without limitation, through a possible recapitalization or restructuring), (iii) to achieve operational and administrative efficiencies and (iv) to permit the issuance of securities, as and when appropriate, to persons providing value to the Company.

With respect to the Germantown property (50% of which is owned by the Company), the Purchaser is expected to cause the Company to enter into a

contract of sale with LIICA (an affiliate of AEGON USA, Inc.), the owner of the 50% undivided interest that the Company does not own, pursuant to which the Company will purchase Life Investors' interest for approximately \$3.25 million (an appraised value) as soon as practicable after the consummation of the Offer, and based upon the condition that the Offer is consummated.

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996 (the "1996 10-K") indicates that the Company purchased, on September 20, 1993, a \$600,000 participation in a promissory note owned by LIICA, which participation yields 8.25% to the Company. LIICA has advised the Company that, upon consummation of the Offer, it will repurchase the outstanding principal amount represented by such participation from the Company, although no assurance can be given that such repurchase will actually occur.

In connection with its consideration of the Offer, the Purchaser has reviewed and will continue to review, on the basis of available information, various possible business strategies that it may consider. If the Offer is consummated, the Purchaser intends to conduct a review of the Company, its assets, businesses, operations, properties, policies, corporate structure, capitalization and management, and to consider what, if any, changes would be desirable or appropriate in light of the circumstances which then exist. Although no specific plans have been developed at this time and no commitments have been made, in order to expand the capital base of the Company, the Purchaser intends to cause the Company to raise additional capital through future equity offerings and to obtain additional financing through credit facilities.

3. Certain Information Concerning the Purchaser and its Affiliates.

The Purchaser is a newly-formed New York partnership operating pursuant to a partnership agreement dated as of December 1, 1997. The principal office of the Purchaser is located at 44 South Bayles Avenue, Port Washington, New York 11050. The Purchaser is owned by two limited partnerships, The Point Associates, L.P., a Pennsylvania limited partnership ("Point Associates") and Triangle Center Associates, L.P., a Pennsylvania limited partnership ("Triangle Associates"). The general partner of Point Associates is Selbridge Corp., a Delaware corporation ("Selbridge"), of which Leo S. Ullman is president. Selbridge and Mr. Ullman (as limited partner) together own 100% of the equity interest in Point Associates. The general partner of Triangle Associates is Buttzville Corp., a Delaware corporation ("Buttzville"), of which Mr. Ullman is president. Buttzville and Mr. Ullman (as limited partner) together own 100% of the equity interest in Triangle Associates. Mr. Ullman is also the Chief Executive Officer of the Purchaser.

The name, business address, current principal occupation or employment and citizenship of each of the partners and executive officers of the Purchaser, SKR and the Company (and certain of their respective affiliates), as proposed after completion of the Offer, are set forth in Schedule I to this Offer to Purchase.

Except as set forth in this Offer to Purchase, neither the Purchaser, nor, to the best knowledge of the Purchaser, any of the persons listed on Schedule I hereto, nor any associate or majority-owned subsidiary of any of the foregoing, beneficially owns any equity securities of the Company, and neither the Purchaser, nor, to the best knowledge of the Purchaser, any of the persons or entities referred to above, nor any director or executive officer of any subsidiary of any of the foregoing, has effected any transaction in such equity securities during the past 60 days.

Except as set forth in this Offer to Purchase or in the Company's reports filed with the Commission, neither the Purchaser nor, to the best knowledge of the Purchaser, any of the persons listed in Schedule I hereto,

has any contract, arrangement, understanding or relationship (whether or not legally enforceable) with any other person with respect to any securities of the Company, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any of such securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, or the giving or withholding of proxies, consents or authorizations. Except as set forth in this Offer to Purchase or in the Company's reports filed with the Commission, there have been no contacts, negotiations or transactions which have occurred since January 1, 1995 between the Purchaser or any of its subsidiaries, or, to the best knowledge of the Purchaser, any of the persons listed in Schedule I hereto, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets. Except as set forth in this Offer to Purchase or in the Company's reports filed with the Commission, neither the Purchaser nor, to the best knowledge of the Purchaser, any of the persons listed in Schedule I hereto, has since January 1, 1995 had any transaction with the Company or any of its executive officers, directors or affiliates which would require disclosure under

the rules and regulations of the Commission applicable to the Offer.

4. Certain Information Concerning the Company.

The information concerning the Company set forth below and contained elsewhere in this Offer to Purchase is based on the Company's 1996 10-K, its September 30, 1997 10-Q, and publicly available documents and records on file with the Commission and other public sources. The Purchaser and its affiliates assume no responsibility for the accuracy or completeness of the information contained in such documents and records, or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Purchaser.

The Company was incorporated in Iowa on December 10, 1984. The Existing Advisor is the Company's advisor, and certain of its affiliates render certain other services to the Company. The Company operates as a real estate investment trust under the Code. The Company's principal executive offices are located at 4333 Edgewood Road, N.E., Cedar Rapids, Iowa 52499.

The Company's real estate investments consist of: 1) Corporate Center East, located in Bloomington, Illinois, 2) Broadbent Business Center, located in Salt Lake City, Utah, 3) Southpoint Parkway Center, located in Jacksonville, Florida, and 4) a 50% undivided interest in Germantown Square Shopping Center, located in Louisville, Kentucky. The Purchaser currently intends to cause the Company to purchase the remaining interest in the Germantown property that is currently owned by LIICA. See Section 2.

The selected financial information of the Company set forth below has been taken from the Company's 1996 10-K (and its Form 10-K for the fiscal year ended December 31, 1994) and its September 30, 1997 10-Q; such information has been derived from and should be read in conjunction with the audited financial statements and other financial information contained in the 1996 10-K and the 1996 Annual Report, and with the unaudited financial statements contained in the September 30, 1997 10-Q. Such financial information is qualified in its entirety by reference to such reports, respectively, and all of the financial statements and related notes contained therein respectively.

5

Selected Financial Data
(in thousands, except per share data)

<TABLE>
<CAPTION>

	Nine Months Ended September 30,		For the Years Ended December 31,		
	1997	1996	1996	1995	1994
	(unaudited)	(unaudited)			
<S>	<C>	<C>	<C>	<C>	<C>
Operating Data:					
Total revenue	\$ 1,811	\$ 1,684	\$ 2,217	\$ 2,487	\$ 2,384
Property operating expenses	547	489	645	704	713
Real estate taxes	188	186	239	228	226
Interest	102	104	138	140	142
Depreciation and amortization	336	328	437	436	437
Administrative expenses	151	150	196	209	206
Total expenses	1,324	1,257	1,655	1,717	1,724
Net income	\$ 487	\$ 427	\$ 562	\$ 770	\$ 660
Net income per Share	\$ 0.22	\$ 0.19	\$ 0.25	\$ 0.34	\$ 0.29
Balance Sheet Data:					
Total assets	16,192	16,473	16,270	16,610	16,786
Mortgage payable	1,406	1,429	1,423	1,445	1,464
Shareholders' equity	14,439	14,716	14,625	14,962	15,090
Other Data:					
Net cash provided by operating activities	853	836	945	1,236	1,130
Net cash used in financing activities	(691)	(689)	(919)	(917)	(916)
Net cash provided by (used in) investing activities	(279)	(14)	(128)	7	11

</TABLE>

The Company is subject to the information and reporting requirements of the Exchange Act and in accordance therewith is obligated to file reports and other information with the Commission relating to its business, financial condition and other matters. Certain information, as of particular dates, concerning the

Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities, any material interests of such persons in transactions with the Company and other matters is required to be disclosed in proxy statements distributed to the Company's stockholders and filed with the Commission. Such reports, proxy statements and other information may be inspected at the Commission's public reference facilities at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and should also be available for inspection at the following regional offices of the Commission: 7 World Trade Center, New York, New York 10048; and 500 West Madison Street, Chicago, Illinois 60661; and copies may be obtained by mail at prescribed rates, from the principal office of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549.

5. Effect of the Offer on the Market for the Shares; NASDAQ Listing; Exchange Act Registration; Status as Real Estate Investment Trust.

Effect of the Offer on the Market for the Shares. The purchase of Shares pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and, depending upon the number of Shares so purchased pursuant to the Offer, could adversely affect the liquidity and market value of the remaining Shares held by the public. The purchase of Shares pursuant to the Offer will also reduce the number of record holders of Shares. Based solely on the 1996 Annual Report, as of March 3, 1997, there were 1,131 record holders of Shares, and based solely on information provided by the Company, as of December 31, 1997, there were 1,131 record holders of Shares.

NASDAQ Listing. The Purchaser intends to use its best efforts to cause the Shares to remain listed on the NASDAQ/ OTC system following the consummation of the Offer. The extent of the public market for the

6

Shares and availability of such quotations would, however, depend on such factors as the number of holders and the aggregate market value of the Shares remaining at such time, the interest in maintaining the market in the Shares on the part of securities firms and, the possible termination of registration of the Shares under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and other factors. The Purchaser and the Company cannot predict whether the reduction of the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for, or marketability of, the Shares or whether it would cause future market prices to be greater or less than the Offer price. There can be no assurance that the Company will be successful in maintaining a public market for its Shares.

The Shares are currently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System ("Federal Reserve Board") which has the effect, among other things, of allowing brokers to extend credit on the collateral of such Shares. Depending upon factors similar to those described above regarding listing and market quotations, the Shares might no longer constitute "margin securities" for purposes of the Federal Reserve Board's margin regulations and, therefore, could no longer be used for collateral for loans made by brokers.

Exchange Act Registration. The Shares are registered under the Exchange Act. Such registration may be terminated upon application of the Company to the Commission (or by the Commission on its own initiative) if the Shares are not listed on a national securities exchange and there are fewer than 300 record holders of Shares. Termination of registration of the Shares under the Exchange Act would eliminate the information required to be furnished by the Company to its stockholders and the Commission and would make certain provisions of the Exchange Act, proxy statement in connection with stockholders' meetings pursuant to Section 14(a) and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions no longer applicable to the Company. Furthermore, the ability of "affiliates" of the Company and persons holding "restricted securities" of the Company to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended, may be impaired or eliminated. The Purchaser does not intend to apply to the Commission for termination of such registration upon consummation of the Offer.

Status as Real Estate Investment Trust. Based upon examination of publicly available information concerning the Company, it appears to the Purchaser that the Company qualifies as a REIT as defined under the Code. If the Company does so qualify it is presently not subject to federal income tax on income or capital gains so long as it meets certain requirements. If, pursuant to this Offer, substantially all of the shareholders would tender their Shares, it is possible that the Company would cease to qualify as a REIT if as a result of the Offer or any other transaction (i) fewer than 100 persons beneficially owned Shares of the Company during at least 31 days of its taxable year or (ii) Shares representing more than 50% in value of all the Shares were beneficially owned at any time during the last half of any such taxable year by five or fewer persons. Disqualification of the Company as a REIT could have several adverse tax consequences for the Company and its shareholders. The Company would no longer be entitled to deduct dividends paid to its shareholders in computing its taxable income, and, accordingly, would be taxed at ordinary U.S. federal, state

and local rates. Moreover, distributions of the Company's profits would have to be treated by shareholders entirely as dividends, taxable as ordinary income, regardless of whether such dividends were attributable to the Company's ordinary income or its capital gains. Also, the Company would no longer be under any requirement to distribute at least 95% of its REIT taxable income if it ceases to qualify as a REIT, and for these and other reasons, dividends paid by the Company might be reduced or eliminated. Although the Purchaser intends to cause the Company to endeavor to continue its business and status as a REIT, there can be no assurance that the Company will be successful in doing so.

6. Certain Federal Income Tax Consequences to Stockholders.

The following is a summary of certain U.S. Federal income tax consequences of the receipt of cash for Shares sold pursuant to the Offer. This discussion is based on the Code, applicable Treasury regulations thereunder, judicial and administrative decisions, and Internal Revenue Service rulings and other pronouncements as of the date hereof.

In general, sales of Shares by stockholders pursuant to the Offer will be taxable transactions for U.S. Federal income tax purposes and may also be taxable transactions under applicable state, local, foreign and other tax laws. For Federal income tax purposes, a tendering stockholder will generally recognize gain or loss equal

7

to the difference between the amount of cash received by the stockholder pursuant to the Offer and the stockholder's tax basis in the Shares sold pursuant to the Offer. Recognized gain or loss will be long-term capital gain or loss if the Shares are held for more than 18 months and will be mid-term capital gain or loss if the Shares are held for more than 12 months but not more than 18 months.

For non-corporate taxpayers, long-term capital gain is currently subject to a maximum marginal Federal income tax rate of 20% (10% for individuals in the 15% Federal income tax bracket). Mid-term capital gain is currently subject to a maximum marginal Federal income tax rate of 28% (15% for individuals in the 15% Federal income tax bracket). Short-term capital gain and ordinary income are currently subject to a maximum marginal Federal income tax rate of 39.6%. Under the Federal alternative minimum tax, the maximum rate for non-corporate taxpayers on net capital gain is, generally, 20%. For corporations, the maximum Federal income tax rate is 35% on both capital gains and ordinary income. If a stockholder recognizes a capital loss as a result of the sale of Shares pursuant to the Offer, such loss generally will only be deductible to the extent of other capital gains, plus, in the case of an individual stockholder, \$3,000 per year.

The foregoing discussion does not purport to deal with all aspects of Federal income taxation and may not be applicable to certain types of stockholders, including stockholders who acquired Shares pursuant to compensation arrangements with the Company, individuals who are not citizens or residents of the United States, foreign corporations, securities dealers, and entities that are otherwise subject to special tax treatment under the Code (such as insurance companies, tax-exempt entities and regulated investment companies.)

THE TAX DISCUSSION SET FORTH ABOVE IS ONLY A SUMMARY OF CERTAIN TAX ISSUES AND IS INCLUDED FOR GENERAL INFORMATION ONLY. THE TAX CONSEQUENCES OF A SALE PURSUANT TO THE OFFER MAY VARY DEPENDING UPON, AMONG OTHER THINGS, THE PARTICULAR CIRCUMSTANCES OF THE TENDERING STOCKHOLDER. NO INFORMATION IS PROVIDED HEREIN AS TO THE STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF THE TRANSACTION CONTEMPLATED BY THE OFFER. STOCKHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR FEDERAL, STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF SALES MADE BY THEM PURSUANT TO THE OFFER.

7. Financing of the Offer.

The total amount of funds required by the Purchaser to purchase the Shares pursuant to the Offer and to pay related fees and expenses is expected to be approximately \$16,250,000, approximately \$15,717,000 of which will be needed to purchase the Shares that are tendered (assuming all Shares are tendered), and approximately \$533,000 of which will be needed for the Purchaser's out-of-pocket expenses associated with the Offer.

Earnest Money Deposit Financing. In order to pay the Earnest Money Deposit to the Company required under the Memorandum of Understanding, Point Associates (one of the two partners of the Purchaser), on behalf of SKR, borrowed from Donald E. Axinn an amount equal to \$750,000 (the "Axinn Loan"). The principal under the Axinn Loan must be repaid no later than November 30, 1998, together with accrued interest thereon at an interest rate per annum equal to 10%. The Axinn Loan is secured by a second mortgage and assignment of rents covering a shopping center owned by Point Associates. The Purchaser, on behalf of Point Associates, will repay the Axinn Loan upon the repayment of the Earnest Money

Deposit to the Purchaser by the Company as required by the Memorandum of Understanding, or alternatively, from the proceeds of the credit facilities provided by the Lender, as discussed below.

In addition, pursuant to an option agreement (the "Axinn Option Agreement"), dated as of December 1, 1997, among Mr. Axinn, SKR, Point Associates and the Purchaser, Mr. Axinn was granted an option to purchase from SKR that number of Shares which is determinable, at Mr. Axinn's election, by dividing either: (i) \$250,000 (of the total principal amount of the Axinn Loan), or (ii) \$500,000 (of the total principal amount of the Axinn Loan), or (iii) the aggregate principal and accrued interest outstanding under the Axinn Loan, based, generally, on the price paid for the Shares by the Purchaser in the Offer. The purchase price paid by Mr. Axinn for any such Shares shall be effected through an adjustment to the then outstanding principal amount of the Axinn Loan. Generally, such purchase option must be exercised, if at all, within 90 days after the consummation of the Offer.

8

The Axinn Option Agreement also requires that SKR cause the Company to issue to Axinn warrants to purchase 20,000 unregistered Shares, with an exercise price equal to the amount paid for Shares by the Purchaser in the Offer. Such warrants expire one year after issuance. If, for any reason, the Company is unable to issue such warrants and the underlying Shares, Purchaser is required to sell to Axinn up to 20,000 Shares then owned by Purchaser. Since the Company's Restated Articles of Incorporation currently prohibit the issuance of warrants or options, the necessary and affirmative corporate and stockholder action will need to be taken prior to any such issuances to Mr. Axinn.

Mr. Axinn has agreed not to sell or transfer any of the Shares acquired upon exercise of the purchase option or warrants described above for a period of 18 months after such exercise and acquisition.

SKR has also agreed to cause Mr. Axinn to be elected to the Board of Directors of the Company upon the full exercise of the Axinn Purchase Option, and that, for so long as Purchaser, SKR or any of their affiliates owns Shares, it will vote such Shares in favor of Mr. Axinn's election to such Board of Directors.

Leo S. Ullman also executed in favor of Mr. Axinn a limited guaranty of the obligations of Point Associates arising under the Axinn Loan and related documentation.

Credit Facility. Simultaneously with the consummation of the Offer and based on a credit facility commitment letter issued by Titan Management, L.P. ("Lender"), which is subject to the customary conditions typically found in such commitment letters, the Purchaser expects to obtain from the Lender a credit facility (the "Tender Offer Facility") in an amount up to \$16,250,000 to be used to finance (i) the purchase of the Shares tendered in the Offer and (ii) costs incurred in connection with the Offer.

Amounts borrowed under the Tender Offer Facility will bear interest at an annual rate of 13%, and will have a one-year term. The Purchaser, at its election and upon payment of a 2% fee, may extend such term for an additional year. Amounts borrowed under the Tender Offer Facility will be secured by a pledge by the Purchaser of the Shares purchased in the Offer, as well as a grant of mortgages on certain properties owned by the partners of the Purchaser.

The Purchaser does not presently have any plans, nor has the Purchaser made any arrangements, to repay or refinance the Tender Offer Facility.

THE TENDER OFFER

8. Terms of the Offer. Upon the terms and subject to the conditions set forth in the Offer (including, if the Offer is extended, amended or supplemented, the terms and conditions of any such extension, amendment or supplement), the Purchaser will accept for payment and will purchase all Shares validly tendered on or prior to the Expiration Date (as hereinafter defined) and not withdrawn in accordance with the procedures described herein. The term "Expiration Date" means 12:00 Midnight, New York City time, on February 10, 1998 unless and until the Purchaser, in its sole discretion, shall have extended the period of time for which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

This Offer to Purchase, the related Letter of Transmittal and the other relevant materials are being mailed to record holders of Shares and are being furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The Purchaser reserves the right (but shall not be obligated), in accordance with applicable rules and regulations of the Commission, to waive any or all of the conditions to the Offer. If, by the Expiration Date, any of such conditions have not been satisfied, the Purchaser reserves the right to (a) decline to accept for payment or pay for any Shares tendered, terminate the Offer and return all tendered Shares to tendering stockholders, (b) extend the Offer and, subject to the withdrawal rights described herein, retain all tendered Shares until the expiration of the Offer as extended or (c) waive such unsatisfied condition or conditions and, in accordance with applicable law and subject to giving sufficient notice to stockholders pursuant to the Offer and in compliance with applicable rules and regulations of the Commission, accept for payment and pay for all Shares validly tendered.

9

The Purchaser will disseminate public announcements concerning material changes to the Offer in accordance with applicable law. The manner in which the Purchaser will make any such public announcement may, if appropriate, be limited to a press release.

Acceptance for Payment and Payment for Shares. Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended, amended or supplemented, the terms and conditions of any such extension, amendment or supplement), the Purchaser will accept for payment and will purchase all Shares validly tendered and not properly withdrawn on or prior to the Expiration Date as soon as practicable after the later to occur of (i) the Expiration Date and (ii) the satisfaction or waiver of the conditions of the Offer set forth in Section 10. In any case, payment for Shares purchased pursuant to the Offer will be made only after timely receipt by the Depository of (a) certificates for such Shares or timely confirmation (a "Book-Entry Confirmation") of the book-entry transfer of such Shares into the Depository's account at The Depository Trust Company or the Philadelphia Depository Trust Company (collectively, the "Book-Entry Transfer Facilities"), pursuant to the procedures described herein, (b) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, and (c) any other documents required by the Letter of Transmittal.

In addition, the Purchaser expressly reserves the right, in its sole discretion, to delay the acceptance of payment of, or payment for, Shares in order to comply in whole or in part with any applicable law. Any such delays will be effected in compliance with Rule 14e-1(c) under the Exchange Act, which requires that a person who makes a tender offer pay the consideration offered or return tendered securities promptly after the termination or withdrawal of a tender offer.

The Purchaser believes that the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (the "HSR Act") are not applicable to the Purchaser's purchase of Shares pursuant to the Offer. However, if the HSR Act were deemed to be applicable to the purchase of Shares pursuant to the Offer, the consummation of the Offer could be delayed pending compliance therewith.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not withdrawn prior to the Expiration Date as, if and when the Purchaser gives oral or written notice to the Depository of the Purchaser's acceptance of such Shares for payment pursuant to the Offer. In all cases, upon the terms and subject to the conditions of the Offer, payment for Shares purchased pursuant to the Offer will be made by deposit of the purchase price therefor with the Depository, which will act as agent for tendering stockholders for the purpose of receiving payment from the Purchaser and transmitting payment to validly tendering stockholders. Under no circumstances will interest on the purchase price for Shares be paid by the Purchaser by reason of any delay in making such payment. If, for any reason whatsoever, acceptance for payment of or payment for any Shares tendered pursuant to the Offer is delayed, or the Purchaser is unable to accept for payment or pay for Shares tendered pursuant to the Offer, then, without prejudice to the Purchaser and subject to Rule 14e-1(c) under the Exchange Act, retain tendered Shares and such Shares may not be withdrawn except to the extent that the tendering stockholder is entitled to and duly exercises withdrawal rights as described herein.

If any tendered Shares are not accepted for payment or purchased pursuant to the Offer for any reason, or if certificates are submitted evidencing more Shares than are tendered, certificates for such unpurchased or untendered Shares will be returned, without expense to the tendering stockholder (or, in the case of Shares delivered by book-entry transfer into the Depository's account at a Book-Entry Transfer Facility, such Shares will be credited to an account maintained within such Book-Entry Transfer Facility) as promptly as practicable following the expiration, termination or withdrawal of the Offer.

If, on or prior to the Expiration Date, the Purchaser increases the consideration offered to stockholders pursuant to the Offer, such increased consideration would be paid to all holders of Shares that are purchased pursuant to the Offer, whether or not such Shares were tendered prior to such increase in

consideration.

Procedures for Accepting the Offer and Tendering Shares.

Valid Tender. Except as set forth below, for Shares to be validly tendered pursuant to the Offer, the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees and any other required documents, must be received by the Depositary at one of its addresses set forth

10

on the back cover of this Offer to Purchase on or prior to the Expiration Date. In addition, either (i) certificates representing such Shares must be received by the Depositary along with the executed Letter of Transmittal (or facsimile thereof) or such Shares must be tendered pursuant to the procedure for book-entry transfer set forth below, and a Book-Entry Confirmation and the executed Letter of Transmittal (or facsimile thereof) must be received by the Depositary, in each case on or prior to the Expiration Date, or (ii) the guaranteed delivery procedure set forth below must be complied with. Delivery of documents to a Book-Entry Transfer Facility does not constitute delivery to the Depositary.

Book-Entry Transfer. The Depositary will establish accounts with respect to the Shares at each Book-Entry Transfer Facility for purposes of the Offer within two (2) business days after the date of this Offer to Purchase. Any financial institution that is a participant in any of the Book-Entry Transfer Facility systems may make book-entry delivery of Shares by causing a Book-Entry Transfer Facility to transfer such Shares into the Depositary's account, in accordance with such Book-Entry Transfer Facility's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer into the Depositary's account at a Book-Entry Transfer Facility, the Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees and any other required documents must, in any case, be transmitted to and received by, the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase on or prior to the Expiration Date, or the guaranteed delivery procedure set forth below must be complied with.

Delivery of documents to a Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility's procedures does not constitute delivery to the Depositary.

Signature Guarantees. Signatures on all Letters of Transmittal (and, if required, any supplement thereto) must be guaranteed by a firm that is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agent's Medallion Program (an "Eligible Institution"), unless the Shares tendered thereby are tendered (i) by the registered holder of Shares who has not completed either the box labeled "Special Payment Instructions" or "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. See Instruction 1 set forth in the Letter of Transmittal.

If the certificates evidencing Shares are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made to, or certificates for unpurchased Shares are to be issued or returned to, a person other than the registered holder, then the tendered certificates must be issued or returned to, a person other than the registered holder, then the tendered certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered holder or holders appear on the certificates, with the signatures on the certificates or stock powers guaranteed by an Eligible Institution as provided in the Letter of Transmittal. See Instructions 1 and 5 set forth in the Letter of Transmittal.

Guaranteed Delivery. If a stockholder desires to tender Shares pursuant to the Offer and such stockholder's certificates for Shares are not immediately available or time will not permit all required documents to reach the Depositary on or prior to the Expiration Date, or the procedure for book-entry transfer cannot be completed on a timely basis, such Shares may nevertheless be tendered if all of the following guaranteed delivery procedures are duly complied with:

(i) such tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Purchaser, is received by the Depositary, as provided below, on or prior to the Expiration Date; and

(iii) the certificates for all tendered Shares, in proper form for transfer, or a Book-Entry Confirmation, together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees and any other documents required by the Letter of Transmittal are received by the Depositary within three (3) New York Stock

Exchange, Inc. trading days after the date of execution of such Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by telegram, facsimile transmission or mail to the Depository and must include a signature guarantee by an Eligible Institution in the form set forth in such Notice of Guaranteed Delivery.

11

Notwithstanding any other provision hereof, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depository of certificates for, or of Book-Entry Confirmation with respect to, such Shares, a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by the Letter of Transmittal. Accordingly, payment may not be made to all tendering stockholders at the same time depending upon when certificates for Shares or confirmations of book-entry transfer of such Shares into the Depository's account at a Book-Entry Transfer Facility are actually received by the Depository.

The method of delivery of Shares, the Letter of Transmittal, and any other required documents is at the option and sole risk of the tendering stockholder. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

Back-up Federal Tax Withholding. Unless an exemption applies under the applicable law and regulations concerning "backup withholding" of U.S. Federal income tax, the Depository will be required to withhold, and will withhold 31% of the gross proceeds otherwise payable to a stockholder or other payee pursuant to the Offer unless the stockholder or other payee provides such person's tax identification number (social security number or employer identification number) and certifies that such number is correct and that such person is not subject to backup withholding. Each tendering stockholder, other than a noncorporate foreign stockholder, should complete and sign the main signature form and the Substitute Form W-9 included as part of the Letter of Transmittal, so as to provide the information and certification necessary to avoid backup withholding and certain penalties, unless an applicable exemption exists and is proved in a manner satisfactory to the Purchaser and the Depository. Noncorporate foreign stockholders should generally complete and sign a Form W-8, Certificate of Foreign Status, a copy of which may be obtained from the Depository, in order to avoid backup withholding. See Instruction 9 set forth in the Letter of Transmittal.

Appointment as Proxy. By executing the Letter of Transmittal, a tendering stockholder irrevocably appoints designees of the Purchaser, and each of them, as such stockholder's attorney-in-fact and proxies, with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by the Purchaser and with respect to any and all other Shares and other securities or rights issued or issuable in respect of such Shares on or after January 12, 1998, except for the purposes of any dividend paid with a record date preceding the date the Shares are accepted for payment pursuant to the Offer. All such proxies shall be considered coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, the Purchaser accepts such Shares for payment. Upon such acceptance for payment, all prior powers of attorney and proxies given by such stockholder with respect to such Shares and such other securities or rights will be revoked, without further action, and no subsequent powers of attorneys and proxies may be given (and, if given, will not be deemed effective) by such stockholder. The designees of the Purchaser will be empowered to exercise all voting and other rights of such stockholder as they in their sole discretion may deem proper with respect to such Shares and other securities or rights at any annual or special meeting of the Company's stockholders, or any adjournment or postponement thereof, or in connection with any action that may be taken by consent in lieu of any such meeting or otherwise. The Purchaser reserves the right to require that, in order for Shares to be validly tendered, immediately upon the acceptance for payment of such Shares, the Purchaser or its designee will be able to exercise full voting rights with respect to such Shares and other securities, including voting at any meeting of stockholders then scheduled.

Determination of Validity. All questions as to the form of documents and validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by the Purchaser, in its sole discretion, whose determination shall be final and binding. The Purchaser reserves the absolute right to reject any or all tenders determined by it not to be in proper form or the acceptance of or payment for which may, in the opinion of the Purchaser's counsel, be unlawful. The Purchaser also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in any tender of Shares of any particular stockholder whether or not similar defects or irregularities are waived in the case of other stockholders.

The Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding. No tender of Shares will be deemed to have been validly

12

made until all defects and irregularities have been cured or waived. None of the Purchaser, any of its affiliates or assigns, if any, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

Other Requirements. A tender of Shares pursuant to any one of the procedures described above will constitute the tendering stockholder's representation and warranty that (a) such stockholder owns the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Exchange Act, (b) the tender of such Shares complies with Rule 14e-4, and (c) such stockholder has the full power and authority to tender and assign the Shares tendered, as specified in the Letter of Transmittal. The Purchaser's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the tendering stockholder and the Purchaser upon the terms and subject to the conditions of the Offer.

Withdrawal Rights. Except as otherwise provided below, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time on or prior to the Expiration Date and, unless theretofore accepted for payment as provided herein, may also be withdrawn at any time after February 10, 1998.

For a withdrawal to be effective, a written, telegraphic, or facsimile transmission notice of withdrawal must be timely received by the Depositary at its address set forth on the back cover of this Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn, and (if certificates for Shares have been tendered) the name of the registered holder of the Shares as set forth in the certificate, if different from that of the person who tendered such Shares. If certificates for Shares have been delivered or otherwise identified to the Depositary, then prior to the physical release of such certificates, the tendering stockholder must also submit the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution, except in the case of Shares tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer described herein, the notice of withdrawal must specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Shares and otherwise comply with such Book-Entry Transfer Facility's procedure. Withdrawals of Shares may not be rescinded. Any Shares properly withdrawn will be deemed not validly tendered for purposes of the Offer, but may be retendered at any subsequent time prior to the Expiration Date by following any of the procedures described herein.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Purchaser, in its sole discretion, whose determination shall be final and binding. None of the Purchaser or any of its affiliates or assigns (if any), the Depositary, the Information Agent or any other person will be under any duty to give any notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

13

9. Price Range of the Shares; Dividends.

According to the Company's 1996 Annual Report to Shareholders (the "1996 Annual Report"), as of March 3, 1997, there were 2,245,411 Shares issued and outstanding, owned by 1,131 shareholders of record. The Shares began trading on the National Association of Securities Dealers Automated Quotations (NASDAQ) System under the symbol "CEDR" on December 17, 1986. The following table sets forth, for the periods indicated, the reported over-the-counter prices for the Shares, all as reported in published financial sources.

1997		High	Low	Close
Quarter Ended		-----	-----	-----
March 31	.....	\$4 3/4	\$3 7/8	\$4 5/8
June 30	.....	6	4 1/8	5 5/8
September 30	.....	6 3/8	5 3/8	5 7/8
December 31	.....	7 1/4	5 7/8	6 1/2

1996
Quarter Ended

March 31	\$4 1/2	\$4	\$4 1/4	
June 30	4 1/2	3 7/8	3 7/8	
September 30	4 1/2	3 3/4	4	
December 31	4 1/2	3 5/8	4 1/4	

According to the 1996 Annual Report, the Company is required to distribute at least 95% of its taxable income to continue to qualify as a "real estate investment trust" under the Code. In each of 1997 and 1996, the Company paid \$0.40 per Share in cash dividends. While the Company expects to continue paying dividends to shareholders after the Offer is consummated, there is no assurance of future dividends, as such are dependent upon earnings, cash flow, the financial condition of the Company and other factors. On December 4, 1997 (the last full day of trading prior to the public announcement by the Company of the Purchaser's intention to make the Offer) and on January 9, 1998 (the last full day of trading prior to the commencement of the Offer) the reported closing prices on NASDAQ for the Shares were \$6 1/8 and \$6 11/16 per Share, respectively, according to published sources. Stockholders are urged to obtain a current market quotation for the Shares before deciding whether to tender any Shares.

10. Certain Conditions of the Offer.

Notwithstanding any other provision of the Offer, the Purchaser shall not be required to accept for payment, or, subject to any applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), pay for, any Shares tendered and may postpone the acceptance for payment or, subject to the restriction referred to above, payments for any Shares tendered, and may amend or terminate the Offer (whether or not any Shares have theretofore been purchased or paid for) if, in the sole discretion of the Purchaser, (i) the condition that at least a majority of the outstanding Shares be validly tendered and not withdrawn prior to the Expiration Date, as described on the cover page of this Offer to Purchase, has not been satisfied prior to or on the Expiration Date; or (ii) at any time on or after December 5, 1997 and before the time for payment or acceptance for payment of, purchase or payment for such Shares, any of the following events shall have occurred:

- a. there exists any order or any action or proceeding, by or before any court or governmental, administrative or regulatory authority or agency which does or would reasonably be expected to unreasonably delay or burden, restrain or prohibit the consummation of the Offer or seek to obtain material damages in connection therewith; or
- b. any applicable governmental approvals or consents necessary for the consummation of the Offer shall not have been received, including, without limitation, the expiration or termination of any applicable waiting period under the HSR Act.

14

The foregoing conditions are for the sole benefit of the Purchaser (and its affiliates) and may be asserted by the Purchaser regardless of the circumstances (including, without limitation, any action or inaction by the Purchaser) giving rise to any such condition or may be waived by the Purchaser in whole or in part from time to time in its sole discretion. The failure by the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right and may be asserted at any time and from time to time. Any determination by the Purchaser concerning any of the events described in this Section 10 shall be final and binding.

11. Extension of Offer Period -- Amendment and Termination.

The Purchaser expressly reserves the right (but shall have no obligation), in its sole discretion, at any time and from time to time, to extend the period of time during which the Offer is open by giving oral or written notice of such extension to the Depositary and by making a public announcement of such extension. In addition, the Offer may be extended, amended or terminated upon the occurrence of any event described in Section 10.

If, prior to the Expiration Date, the Purchaser shall, in its sole discretion, increase or decrease the percentage of Shares being sought (in the case of any increase, by more than 2%) or increase or decrease the consideration offered in the Offer to holders of Shares, and if, at the time that notice of such increase or decrease is first published, sent or given to holders of Shares, the Offer is scheduled to expire at any time earlier than the expiration of the tenth business day from, and including, the date that such notice is first so published, sent or given, then the Offer will be extended until the expiration of such period of ten business days. For purposes of the Offer, a "business day" means any day other than a Saturday, Sunday or a federal holiday, and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York

City time.

The Purchaser also expressly reserves the right, subject to applicable law, (i) to extend the period of time during which the Offer is open and thereby delay acceptance for payment of and, regardless of whether such Shares have theretofore been accepted for payment, the payment for any Shares, or to terminate the Offer and not accept for payment or pay for any Shares not theretofore accepted for payment or paid for, upon the occurrence of any of the conditions specified in Section 10 by giving oral or written notice thereof to the Depository, and (ii) at any time, or from time to time, to amend the Offer at any time and in any respect by public announcement. The rights reserved by the Purchaser in this paragraph are in addition to the Purchaser's right to terminate the Offer pursuant to Section 10. Any extension of the period during which the Offer is open, delay in acceptance or payment, or termination or amendment of the Offer will be followed as promptly as practicable by public announcement thereof, such announcement in the case of an extension to be issued not later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date in accordance with the public announcement requirements of Rule 14d-4(c) under the Exchange Act. Without limiting the obligation of the Purchaser under such Rule or the manner in which the Purchaser may choose to make any public announcement, the Purchaser shall have no obligation to publish, advertise or otherwise communicate any such public announcement, other than by issuing a press release and making any appropriate filing with the Commission.

If the Purchaser extends the Offer, or if the Purchaser (whether before or after its acceptance for payment of Shares) is delayed in its payment for Shares or is unable to pay for Shares pursuant to the Offer, the Depository may retain tendered Shares on behalf of the Purchaser, and such Shares may not be withdrawn except to the extent tendering stockholders are entitled to withdrawal rights as described herein. The ability of the Purchaser to delay payment for Shares which the Purchaser has accepted for payment is limited by Rule 14e-1(c) under the Exchange Act, which requires that a bidder pay the consideration offered or return the securities deposited by or on behalf of holders of securities promptly after the termination or withdrawal of the Offer.

If the Purchaser makes a material change in the terms of the Offer or the information concerning the Offer or if it waives a material condition of the Offer (including a waiver of the conditions set forth in the Introduction to this Offer to Purchase), the Purchaser will disseminate additional tender offer materials and extend the Offer if and to the extent required by Rules 14d-4(c) and 14d-6(d) under the Exchange Act. The minimum period during which an offer must remain open following material changes in the terms of the Offer or information concerning the Offer, other than a change in price or a change in percentage of securities sought, will depend

15

upon the facts and circumstances, including the relative materiality of the changes in terms or information. With respect to a change in price or a change in percentage of securities sought, a minimum ten-business day period is generally required to allow for adequate dissemination to stockholders and investor response.

12. Certain Legal and Regulatory Matters.

Except as set forth in this Offer to Purchase, based on a review of publicly available filings by the Company with the Commission and other publicly available information regarding the Company, the Purchaser is not aware of any licenses or regulatory permits that appear to be material to the business of the Company and its subsidiaries, taken as a whole, and that might be adversely affected by the Purchaser's acquisition of Shares as contemplated in this Offer to Purchase, or any filings, approvals or other actions by or with any domestic or foreign governmental authority or administrative agency that would be required prior to the acquisition of Shares by the Purchaser pursuant to the Offer as contemplated herein. If any such approval or other action be required, it is the Purchaser's present intention that such additional approval or action would be sought, except as described below. While, except as otherwise described in this Offer to Purchase, there is no present intent to delay the acceptance for payment of, or the payment for, Shares tendered pursuant to the Offer pending receipt of any such additional approval or the taking of any such action, there can be no assurance that any such additional approval or action, if needed, would be obtained without substantial conditions or that adverse consequences might not result to the Company's business, or other substantial conditions complied with in order to obtain such approval or action or in the event that such approvals were not obtained or such actions were not taken. The Purchaser's obligation to purchase and pay for Shares is subject to certain conditions, including conditions with respect to litigation and governmental actions.

The Purchaser does not believe that the provisions of the HSR Act are applicable to the Purchaser's purchase of Shares pursuant to the Offer. However, if the HSR Act were deemed to be applicable to the purchase of Shares pursuant to the Offer, the consummation of the Offer could be delayed pending compliance

therewith.

State Takeover Laws. A number of states, including Iowa, have adopted takeover laws which purport, to varying degrees, to be applicable to attempts to acquire securities of corporations which are incorporated in such states or which have substantial assets, security holders, principal executive offices or principal places of business therein. The Purchaser intends to comply with any applicable state takeover statutes in connection with the Offer. The Purchaser reserves the right to challenge the validity or applicability of any state law allegedly applicable to the Offer and nothing in this Offer to Purchase nor any action taken in connection herewith is intended as a waiver of that right.

In the event that any state takeover statute or takeover provision is found applicable to the Offer, the Purchaser might be unable to accept for payment or purchase Shares tendered pursuant to the Offer or be delayed in continuing or consummating the Offer. In such case, the Purchaser may not be obligated to accept for purchase or pay for any Shares tendered.

13. Certain Fees and Expenses.

Georgeson & Company Inc. has been retained by the Purchaser to act as the Information Agent in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telex, telegraph and personal interview, and may request brokers, dealers and other nominee stockholders to forward material relating to the Offer to beneficial owners. Customary compensation will be paid for such services in addition to reimbursement of reasonable out-of-pocket expenses. The Purchaser has agreed to indemnify the Information Agent against certain liabilities and expenses, including any liabilities under the federal securities laws.

In addition, The Bank of New York has been retained by the Purchaser to act as the Depositary in connection with the Offer. The Depositary will receive reasonable and customary compensation for its services in connection with the Offer, will be reimbursed for its reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith.

The Purchaser will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies and other nominees will, upon request, be reimbursed by the Purchaser for reasonable and necessary clerical and mailing expenses incurred by them in forwarding materials to their customers.

16

14. Miscellaneous.

The Offer is being made to all holders of Shares. The Purchaser is not aware of any jurisdiction where the making of the Offer is prohibited by administrative or judicial action pursuant to a valid statute. If the Purchaser becomes aware of any valid statute prohibiting the making of the Offer, the Purchaser will make a reasonable good faith effort to comply with such statute. If, after such reasonable good faith effort, the Purchaser cannot comply with such statute, the Offer will not be made to nor will tenders be accepted from or on behalf of the holders of Shares in such jurisdiction.

In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

The Purchaser has filed with the Commission a Tender Offer Statement on Schedule 14D-1 (together with exhibits) pursuant to Rule 14d-3 promulgated under the Exchange Act, furnishing certain additional information with respect to the Offer, and may file amendments thereto. Such Schedule 14D-1 and any amendments thereto (including exhibits) may be examined and copies may be obtained from the office of the Commission in the same manner as described in Section 8 with respect to information concerning the Company, except that they will not be available at the regional offices of the Commission.

No person has been authorized to give any information or to make any representation on behalf of the Purchaser not contained in this Offer to Purchase or in the Letter of Transmittal and, if given or made, any such information or representation must not be relied upon as having been authorized. Neither the delivery of the Offer to Purchase nor any purchase pursuant to the Offer, shall, under any circumstances, create any implication that there has been no change in the affairs of the Purchaser or the Company since the date as of which information is furnished or the date hereof.

SCHEDULE I

PARTNERS, DIRECTORS AND EXECUTIVE OFFICERS
OF THE PURCHASER AND ITS AFFILIATES

The following sets forth the name, business address, citizenship and present principal occupation or employment, together with the name, principal business and address (if different from the business address) of any corporation or entity in which such employment is conducted, of the partners, directors and executive officers (as applicable) of the Purchaser, Cedar Bay Realty Advisors, Inc., Brentway Management LLC and the Company (as contemplated after the consummation of the Offer).

<TABLE>

<CAPTION>

Name -----	Current Principal Occupation and Affiliations During the Past Five Years -----	Present Business Address -----
<S> I. Cedar Bay Company, a New York general partner- ship (Purchaser)	<C> N/A	<C> c/o SKR Management 44 South Bayles Avenue Port Washington, NY 11050
Purchaser's Partners The Point Associates, L.P., a Pennsylvania limited partner- ship (one of the two partners of the Purchaser), whose gen- eral partner is Selbridge Corp., a Delaware corpora- tion.	Real estate owner	c/o SKR Management 44 South Bayles Avenue Port Washington, NY 11050
Triangle Center Associates, L.P., a Pennsylvania limited partnership (one of the two partners of the Purchaser), whose general partner is Buttzville Corp., a Delaware corporation.	Real estate owner	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050
Purchaser's Executive Officers		
Leo S. Ullman, Chief Executive Officer (1) (U.S. citizen)	Real estate asset management including: President of API Asset Management Services Corp. and API Asset Manage- ment, Inc. from 1992 through 1995; President of SKR Man- agement Corp. from 1994 through the current date; Chairman of Brentway Man- agement LLC from 1994 through the current date; President of Cedar Bay Realty Advisors, Inc. since its formation in January 1998. Mr. Ullman has also been the President and sole director of Selbridge Corp. and Buttz- ville Corp. (the two partners of the Purchaser) from 1994 through the current date.	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050

</TABLE>

(1) Mr. Ullman (age 58) has been involved in real estate asset management for approximately twenty years and has been practicing law for more than thirty years. Mr. Ullman has a B.A. from Harvard University and a J.D. and M.B.A. from Columbia University. Since 1993, Mr. Ullman has also served as "of counsel" to Schnader Harrison Segal & Lewis, LLP, counsel to the Purchaser and certain of its affiliates in connection with the Offer.

<TABLE>

<CAPTION>

Name -----	Current Principal Occupation and Affiliations During the Past Five Years -----	Present Business Address -----
---------------	--	-----------------------------------

<S> Brenda J. Walker, Vice President(2) (U.S. citizen)	<C> Real estate asset management including: Vice President of API Asset Management Ser- vices Corp. and API Asset Management, Inc. from 1992 through 1995; President of Brentway Management LLC from 1994 through the current date; Vice President of SKR	<C> c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050
II. Cedar Bay Realty Advi- sors, Inc., a New York corpo- ration (proposed new advisor to the Company following consummation of the Offer)	Real estate asset management	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050
Executive Officers and Directors -----		
Leo S. Ullman, President	See above	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050
Brenda J. Walker, Vice President	See above	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050
III. Brentway Management LLC, a New York limited liability company (proposed new property manager to the Company following consummation of the Offer)	Real estate asset management	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050 Cur
Executive Officers and Members -----		
Leo S. Ullman, Chairman	See above	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050
Brenda J. Walker, President	See above	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050

</TABLE>

(2) Ms. Walker (age 45) has been involved in real estate asset management for approximately fifteen years, and has a B.A. from Lincoln University.

19

<TABLE>
<CAPTION>

Name ----	Current Principal Occupation and Affiliations During the Past Five Years -----	Present Business Address -----
<S> IV. Cedar Income Fund, Ltd. (as proposed following con- summation of the Offer)	<C>	<C>
Executive Officers -----		
Leo S. Ullman, Chairman of the Board and President	See above	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050
Brenda J. Walker, Vice President and Treasurer	See above	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050
Directors -----		
Leo S. Ullman	See above	c/o SKR Management Corp. 44 South Bayles Avenue Port Washington, NY 11050
J.A.M.H. der Kinderen (age 57; Citizen of The Neth- erlands)	From 1984 through 1994, Mr. der Kinderen was Director of Investments of Rabobank Pension Fund, and has been or is Chairman of the Board of the following entities: Rodin Properties - Shore Mall, N.V. (1990-1995), Mass Mutual Pierson (M.M.P.)	Boschdijk 696 5624 CB Eindhoven The Netherlands

(1988-1997), Noro Amerika Vast Goed B.V. (1985-present), Noro Amerika Real Estate B.V. (1995-present), and, from 1996 to the present, a director of Warner Building Corporation.

Everett B. Miller III
(age 50; U.S. citizen)

Mr. Miller is currently the Senior Vice President and Chief Executive Officer of Endowment Realty Investors, Inc., a regulated investment advisor. Prior to that, starting in March 1997, Mr. Miller was the Senior Vice President and Chief Executive Officer of Finite REITs, Endowment Realty Investors and Endowment Realty Investors II. From January 1995 through March 1997, Mr. Miller was the Principal Investment Officer for Real Estate and Alternative Investment at the Office of the Treasurer of the State of Connecticut. Prior to that, Mr. Miller was employed for twenty years at Travellers Realty Investment Co., at which his last position was Senior Vice President.

450 Post Road East
Westport, CT 06881

</TABLE>

20

SCHEDULE II

BENEFICIAL OWNERSHIP OF SHARES AND TRANSACTIONS DURING
PAST 60 DAYS BY CERTAIN DIRECTORS AND EXECUTIVE OFFICERS.

Neither the Purchaser, nor any of its partners (or the executive officers of such partners' respective corporate general partners), has purchased or sold Shares during the past 60 days.

21

Facsimile copies of the Letter of Transmittal, properly completed and duly executed, will be accepted. The Letter of Transmittal, certificates for Shares and any other required documents should be sent or delivered by each stockholder of the Company or his broker, dealer, commercial bank, trust company or other nominee to the Depository at one of its addresses set forth below:

The Depository for the Offer is:

THE BANK OF NEW YORK

<TABLE>
<CAPTION>
<S>

<C>

<C>

By Mail:

By Facsimile:

By Hand or Overnight Courier:

Tender & Exchange
Department
P.O. Box 11248
Church Street Station
New York, New York
10286-1248

(For Eligible Institutions Only)
(212) 815-6213
Confirm Facsimile By Telephone:
1-800-507-9537

Tender & Exchange
Department
101 Barclay Street
Receive and Deliver Window
New York, New York 10286

</TABLE>

Questions and requests for assistance may be directed to the Information Agent at its address and telephone number listed below. Additional copies of this Offer to Purchase, the Letter of Transmittal and other tender offer materials may be obtained from the Information Agent as set forth below, and will be furnished promptly at the Purchaser's expense. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

GEORGESON
& COMPANY INC.

Wall Street Plaza
New York, New York 10005
Banks and Brokers Call Collect: (212) 440-9800

All Others Call Toll-Free: (800) 223-2064

LETTER OF TRANSMITTAL
TO TENDER SHARES OF COMMON STOCK
OF
CEDAR INCOME FUND, LTD.
PURSUANT TO THE OFFER TO PURCHASE
DATED JANUARY 12, 1998 BY
CEDAR BAY COMPANY

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT
NEW YORK CITY TIME, ON FEBRUARY 10, 1998, UNLESS THE OFFER IS EXTENDED

The Depository for the Offer is:

THE BANK OF NEW YORK

<TABLE>			
<CAPTION>			
<S>			
By Mail:	<C>	By Facsimile:	<C>
			By Hand or Overnight Courier:
Tender & Exchange Department P.O. Box 11248 Church Street Station New York, New York 10286-1248	(For Eligible Institutions Only) (212) 815-6213 Confirm Facsimile By Telephone: 1-800-507-9537		Tender & Exchange Department 101 Barclay Street Receive and Deliver Window New York, New York 10286

</TABLE>
DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET
FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE TRANSMISSION TO A
NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ
CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

[] CHECK HERE IF SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED
DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING.
PLEASE ENCLOSE A PHOTOCOPY OF SUCH NOTICE OF GUARANTEED DELIVERY.

Names(s) of Registered
Holders(s): _____

Window Ticket Number (if
any): _____

Date of Execution of Notice of Guaranteed
Delivery: _____

Name of Institution which Guaranteed
Delivery: _____

<TABLE>
<CAPTION>

DESCRIPTION OF SHARES TENDERED

Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on share certificate(s))	Share Certificate(s) and Share(s) Tendered (Attach additional list if necessary)						
	<table border="0" style="width:100%"> <tr> <td style="width:33%; text-align:center">Share Certificate Number(s)*</td> <td style="width:33%; text-align:center">Total Number of Shares Represented by Share Certificate(s)*</td> <td style="width:33%; text-align:center">Number of Shares Tendered**</td> </tr> <tr> <td style="text-align:center"><C></td> <td style="text-align:center"><C></td> <td style="text-align:center"><C></td> </tr> </table>	Share Certificate Number(s)*	Total Number of Shares Represented by Share Certificate(s)*	Number of Shares Tendered**	<C>	<C>	<C>
Share Certificate Number(s)*	Total Number of Shares Represented by Share Certificate(s)*	Number of Shares Tendered**					
<C>	<C>	<C>					
	----- ----- ----- ----- ----- Total Shares						

* Need not be completed by book-entry stockholders.
** Unless otherwise indicated, it will be assumed that all Shares represented by certificates delivered
to the Depository are being tendered. See Instruction 4.

</TABLE>
<TABLE>
<CAPTION>
<S>

<C>

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if Share Certificates
not tendered or not purchased and/or the

To be completed ONLY if Share Certificates
not tendered or not purchased and/or the

check for the purchase price of Shares purchased are to be issued in the name of someone other than the undersigned, or if Shares tendered by book-entry transfer which are not purchased are to be returned by credit to an account maintained at a Book-Entry Transfer Facility other than that designated on the front cover:

check for the purchase price of Shares purchased are to be sent to someone other than the undersigned, or to the undersigned at an address other than that shown on the front cover:

Mail check and/or certificates to:

Name: _____
(Please Print)

Address: _____

(Include Zip Code)

(Taxpayer Identification or Social Security No.)
(See substitute Form W-9 on back cover)

Issue check and/or certificates to:
Name: _____
(Please Print)

Address: _____

(Include Zip Code)

(Taxpayer Identification or Social Security No.)
(See substitute Form W-9 on back cover)

</TABLE>

SIGN HERE

(Please complete Substitute Form W-9)

(Signature(s) of Owner(s))

Dated: _____

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Share Certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please provide the necessary information. See Instruction 5).

Name(s) _____
(Please Print)

Capacity (Full Title): _____

Address: _____

(Include Zip Code)

Area Code and Telephone Number: _____

Tax Identification or Social Security No.: _____
(See Substitute Form W-9)

GUARANTEE OF SIGNATURE(S)
(If Required -- see Instructions 1 and 5)

Authorized Signature: _____

Name: _____

Name of Firm: _____

Address: _____

(Include Zip Code)

Area Code and Telephone Number: _____

Dated: _____

Ladies and Gentlemen:

The undersigned hereby tenders to Cedar Bay Company, a New York general partnership (the "Purchaser"), the above-described shares of Common Stock, par

value \$1.00 per share (the "Shares"), of Cedar Income Fund, Ltd., an Iowa business corporation ("the Company"), at a price of \$7.00 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 12, 1998 ("Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which, together with the Offer to Purchase, constitutes the "Offer"). The undersigned understands that Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its subsidiaries or affiliates the right to purchase all or any portion of the Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Purchaser of its obligation under the Offer or prejudice the rights of tendering shareholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

Subject to, and effective upon, acceptance for payment of and payment for the Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer, the undersigned hereby sells, assigns, and transfers to, or upon the order of Purchaser all right, title and interest in and to all of the Shares that are being tendered hereby and any and all dividends on the Shares or any distribution (including, without limitation, the issuance of additional Shares pursuant to a stock dividend or stock split, the issuance of other securities or the issuance of rights for the purchase of any securities) with respect to the Shares that is declared or paid by the Company on or after January 12, 1998 and is payable or distributable to stockholders of record on a date prior to the transfer into the name of Purchaser or its nominees or transferees on the Company's stock transfer records of the Shares purchased pursuant to the Offer (a "Distribution"), and constitutes and irrevocably appoints the Depositary the true and lawful agent, attorney-in-fact and proxy of the undersigned to the full extent of the undersigned's rights with respect to such Shares (and any Distributions) with full power of substitution (such power of attorney and proxy being deemed to be an irrevocable power coupled with an interest), to (a) deliver certificates representing ownership of Shares (and any Distributions), or transfer ownership of such Shares on the account books maintained by the Book-Entry Transfer Facilities, together in either such case with all accompanying evidences of transfer and authenticity, to or upon the order of Purchaser upon receipt by the Depositary, as the undersigned's agent, of the purchase price, (b) present such Shares (and any Distributions) for transfer on the books of the Company and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and any Distributions), all in accordance with the terms of the Offer.

The undersigned hereby irrevocably appoints Leo S. Ullman and Brenda Walker, and each of them, the attorneys-in-fact and proxies of the undersigned, each with full power of substitution, to vote in such manner as each such attorney and proxy or his substitute shall, in his sole discretion, deem proper, and otherwise act (including pursuant to written consent) with respect to all of the Shares tendered hereby which have been accepted for payment by Purchaser prior to the time of such vote or action (and any Distributions) which the undersigned is entitled to vote at any meeting of stockholders (whether annual or special and whether or not an adjourned meeting) of the Company, or by written consent in lieu of such meeting, or otherwise. This power of attorney and proxy is coupled with an interest in the Company and in the Shares, and is irrevocable and is granted in consideration of, and is effective upon, the acceptance for payment of such Shares by Purchaser in accordance with the terms of the Offer. Such acceptance for payment shall revoke, without further action, any other power of attorney or proxy granted by the undersigned at any time with respect to such Shares (and any Distributions) and no subsequent powers of attorney or proxies will be given (and if given will be deemed not to be effective) with respect thereto by the undersigned. The undersigned understands that Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Shares, Purchaser is able to exercise full voting rights with respect to such Shares and other securities, including voting at any meeting of stockholders.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby (and any Distributions relating thereto) and that, when the same are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and the same will not be subject to any adverse claim. The undersigned, upon request, will execute and deliver any additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby (and any Distributions relating thereto). In addition, the undersigned shall promptly remit and transfer to the Depositary for the account of Purchaser any and all other Distributions in respect to the Shares tendered hereby, accompanied by appropriate documentation of transfer and, pending such remittance or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of any such Distributions, and may withhold the entire purchase price or deduct from the purchase price of Shares tendered hereby the amount or value thereof, as determined by Purchaser in its sole discretion.

All authority herein conferred or herein agreed to be conferred shall not be affected by, and shall survive, the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is

irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described in Section 8 of the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price and/or return any certificates representing Shares not tendered or accepted for payment in the name(s) of the undersigned. Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price and/or return any certificates representing Shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature. In the event that both the "Special Delivery Instructions" and the "Special Payment Instructions" are completed, please issue the check for the purchase price and/or return any certificates representing Shares not tendered or accepted for payment in the name(s) of, and deliver said check and/or return certificates to, the person or persons so indicated. Stockholders tendering Shares by book-entry transfer may request that any Shares not accepted for payment be returned by crediting such account maintained at such Book-Entry Transfer Facility as such stockholder may designate by making an appropriate entry under "Special Payment Instructions." The undersigned recognizes that Purchaser has no obligation pursuant to the "Special Payment Instructions" to transfer any Shares from the name of the registered holder thereof if Purchaser does not accept for payment any of such Shares.

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURES.

No signature guarantee on this Letter of Transmittal is required (i) if this Letter of Transmittal is signed by the registered holder (which term, for purposes of this document, shall include any participant in a Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares) of the Shares tendered herewith, unless such holder has completed either (1) the box entitled "Special Delivery Instructions" or (2) the box entitled "Special Payment Instructions" on this Letter of Transmittal or (ii) if such Shares are tendered for the account of a firm that is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agent's Medallion Program (an "Eligible Institution"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 5.

2. DELIVERY OF LETTER OF TRANSMITTAL AND CERTIFICATES.

This Letter of Transmittal is to be used either if certificates representing Shares ("Share Certificates") are to be forwarded herewith or, if tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in Section 8 of the Offer to Purchase. Share Certificates, or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer of such Shares into the Depository's account at a Book-Entry Transfer Facility, as well as this Letter of Transmittal (or a facsimile hereof), properly completed and duly executed, with any required signature

guarantees and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth herein prior to the Expiration Date. Stockholders whose Share Certificates are not immediately available or who cannot deliver their Share Certificates and all other required documents to the Depository prior to the Expiration Date or who cannot complete the procedures for delivery by book-entry transfer on a timely basis may tender their Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in Section 8 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Purchaser, must be received by the Depository on or prior to the Expiration Date; and (iii) the Share Certificates (or a Book-Entry Confirmation) representing all tendered Shares, in proper form for transfer, together with a Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees and any other documents required by this Letter of Transmittal, must be received by the Depository within three (3) New York Stock Exchange, Inc. ("NYSE") trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided in Section 8 of the Offer to Purchase.

THE METHOD OF DELIVERY OF SHARE CERTIFICATES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND SOLE RISK OF THE TENDERING STOCKHOLDER AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. All tendering stockholders, by execution of this Letter of Transmittal or facsimile thereof, waive any right to receive

any notice of the acceptance of their Shares for payment.

3. INADEQUATE SPACE.

If the space provided herein is inadequate, the certificate numbers and/or the number of Shares and any other required information should be listed on a separate schedule attached hereto and separately signed on each page thereof in the same manner as this Letter of Transmittal is signed.

4. PARTIAL TENDERS (NOT APPLICABLE TO STOCKHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER).

If fewer than all the Shares evidenced by any certificate submitted are to be tendered, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered". In such case, new certificate(s) for the

remainder of the Shares that were evidenced by your old certificate(s) will be sent to you, unless otherwise provided in the appropriate box marked "Special Payment Instructions" and/or "Special Delivery Instructions" on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Shares represented by certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL, STOCK POWERS AND ENDORSEMENTS.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered Shares are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal or any certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to Purchaser of their authority so to act must be submitted.

When this Letter of Transmittal is signed by the registered owner(s) of the Shares listed and transmitted hereby, no endorsements of certificates or separate stock powers are required unless payment is to be made to or certificates for Shares not tendered or purchased are to be issued in the name of a person other than the registered owner(s). Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Shares listed, the certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered owner(s) appear(s) on the certificates. Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

6. STOCK TRANSFER TAXES.

Except as set forth in this Instruction 6, Purchaser will pay or cause to be paid any stock transfer taxes with respect to the transfer and sale of purchased Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or if certificates for Shares not tendered or purchased are to be registered in the name of, any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder or such person) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE CERTIFICATES LISTED IN THIS LETTER OF TRANSMITTAL.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS.

If a check is to be issued in the name of and/or certificates for unpurchased Shares are to be returned to a person other than the signer of this Letter of Transmittal or if a check is to be sent and/or such certificates are to be returned to someone other than the signer of this Letter of Transmittal or to an address other than that shown on the front cover hereof, the appropriate boxes on this Letter of Transmittal should be completed.

Stockholders tendering Shares by book-entry transfer may request that Shares

not purchased be credited to such account maintained at such Book-Entry Transfer Facility as such stockholder may designate hereon. If no such instructions are given, such Shares not purchased will be returned by crediting the account at the Book-Entry Transfer Facility designated above. See Instruction 1.

8. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES.

Requests for assistance may be directed to the Information Agent at its address set forth below. Requests for additional copies of the Offer to Purchase and this Letter of Transmittal may be directed to the Information Agent or to brokers, dealers, commercial banks or trust companies.

9. 31% BACKUP WITHHOLDING; SUBSTITUTE FORM W-9.

Under U.S. Federal income tax law, a stockholder whose tendered Shares are accepted for payment is required to provide the Depository with such stockholder's correct taxpayer identification number ("TIN") and certify that such TIN is true, correct and complete on Substitute Form W-9 below. If the Depository is not provided with the correct TIN, the Internal Revenue Service may subject the stockholder or other payee to a \$50 penalty, and the payments that are made to such stockholder or other payee with respect to Shares purchased pursuant to the Offer may be subject to 31% backup withholding.

Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to backup withholding. In order for a foreign individual to qualify as an exempt recipient, the stockholder must submit a Form W-8, signed under penalties of perjury, attesting to that individual's exempt status. A form W-8 can be obtained from the Depository. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for more instructions.

If backup withholding applies, the Depository is required to withhold 31% of any such payments made to the stockholder or other payee. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

The box in Part 3 of the Substitute Form W-9 may be checked if the tendering stockholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 3 is checked, the stockholder or other payee must also complete the Certificate of Awaiting Taxpayer Identification Number below in order to avoid backup withholding. Notwithstanding that the box in Part 3 is checked and the Certificate of Awaiting Taxpayer Identification Number is completed, the Depository will withhold 31% of all payments made prior to the time a properly certified TIN is provided to the Depository.

The stockholder is required to give the Depository the TIN (e.g., social security number or employer identification number) of the record owner of the Shares or of the last transferee appearing on the transfers attached to, or endorsed on, the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

10. LOST, DESTROYED OR STOLEN CERTIFICATES.

If any certificate(s) representing Shares has been lost, destroyed or stolen, the stockholder should promptly notify the Transfer Agent. The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF) TOGETHER WITH CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY ON OR PRIOR TO THE EXPIRATION DATE.

TO BE COMPLETED BY ALL TENDERING STOCKHOLDERS (SEE INSTRUCTION 9)
PAYER'S NAME: THE BANK OF NEW YORK

<TABLE>
<CAPTION>
<S>

<C>

<C>

SUBSTITUTE
FORM
W-9

PART I - PLEASE PROVIDE YOUR TAXPAYER
IDENTIFICATION NUMBER ("TIN") IN THE BOX AT
RIGHT AND CERTIFY BY SIGNING AND DATING
BELOW.

Social Security Number(s)
OR

Employer Identification
Number(s)

Department of the
Treasury
Internal Revenue Service

PART 2 -- CERTIFICATION -- Under penalties of
perjury, I certify that:
(1) the number shown on this form is my correct Tax-
payer Identification Number (or I am waiting for a
number to be issued to me) and

Part 3 --
Awaiting TIN
[]

Payer's Request for
Taxpayer Identification
Number (TIN)

(2) I am not subject to backup withholding because
(a) I am exempt from backup withholding, or (b) I
have not been notified by the Internal Revenue
Service ("IRS") that I am subject to backup with-
holding as a result of a failure to report all interest
or dividends, or (c) the IRS has notified me that I
am no longer subject to backup withholding.

Part 4 --
Awaiting TIN
[]

Certification Instructions -- You must cross out item (2) in Part 2 above if you have
been notified by the IRS that you are subject to backup withholding because of under
reporting interest or dividends on your tax returns. However, if after being notified
by the IRS that you were subject to backup withholding you received another
notification from the IRS stating that you are no longer subject to backup withholding,
do not cross out such item (2). If you are exempt from backup withholding, check the
box in Part 4 above.

Signature

Date:

1998

</TABLE>

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF
SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number
has not been issued to me, and either (a) I have mailed or delivered an
application to receive a taxpayer identification number to the appropriate
Internal Revenue Service Center or Social Security Administration Office or
(b) I intend to mail or deliver an application in the near future. I
understand that, if I do not provide a taxpayer identification number to
the Depository, 31% of all reportable payments made to me will be withheld,
but will be refunded to me if I provide a taxpayer identification number
within 60 days.

, 1998

Signature

Date

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING
OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW
THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL INFORMATION.

FACSIMILE COPIES OF THE LETTER OF TRANSMITTAL, PROPERLY COMPLETED AND DULY
EXECUTED, WILL BE ACCEPTED. THE LETTER OF TRANSMITTAL, CERTIFICATES FOR SHARES
AND ANY OTHER REQUIRED DOCUMENTS SHOULD BE SENT OR DELIVERED BY EACH
STOCKHOLDER OF CEDAR INCOME FUND, LTD. OR HIS BROKER, DEALER, COMMERCIAL BANK,
TRUST COMPANY OR OTHER NOMINEE TO THE DEPOSITARY AT ITS ADDRESS SET FORTH
BELOW:

THE DEPOSITARY FOR THE OFFER IS:

THE BANK OF NEW YORK

<TABLE>

<CAPTION>

<S>

By Mail:

<C>

By Facsimile:

<C>

By Hand or Overnight Courier:

Tender & Exchange
Department
P.O. Box 11248
Church Street Station
New York, New York
10286-1248

(For Eligible Institutions Only)
(212) 815-6213

Confirm Facsimile By Telephone:
1-800-507-9537

Tender & Exchange
Department
101 Barclay Street
Receive and Deliver Window
New York, New York 10286

</TABLE>

Questions and requests for assistance may be directed to the Information
Agent at its address and telephone number listed below. Additional copies of

this Offer to Purchase, the Letter of Transmittal and other tender offer materials may be obtained from the Information Agent as set forth below, and will be furnished promptly at Purchaser's expense. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

THE INFORMATION AGENT FOR THE OFFER IS:

GEORGESON
& COMPANY INC.

Wall Street Plaza
New York, New York 10005
Banks and Brokers Call Collect: (212) 440-9800
All Others Call Toll-Free: (800) 223-2064

Notice of Guaranteed Delivery
for
Tender of Shares of Common Stock
of Cedar Income Fund, Ltd.
(Not to Be Used for Signature Guarantees)

This Notice of Guaranteed Delivery, or a form substantially equivalent to this form, must be used to accept the Offer (as defined below) if certificates representing shares of common stock, par value \$1.00 per share, of Cedar Income Fund, Ltd. (the "Shares") and all other documents required by the Letter of Transmittal cannot be delivered to the Depository by the expiration of the Offer. Such form may be delivered by hand or facsimile transmission, telex or mail to the Depository. See Section 8 of the Offer to Purchase.

To: The Bank of New York
as Depository

<TABLE>
<CAPTION>
<S>

By Mail:	<C> By Facsimile:	<C> By Hand or Overnight Courier:
Tender & Exchange Department P.O. Box 11248 Church Street Station New York, New York 10286-1248	(For Eligible Institutions Only) (212) 815-6213 Confirm Facsimile By Telephone: 1-800-507-9537	Tender & Exchange Department 101 Barclay Street Receive and Deliver Window New York, New York 10286

</TABLE>

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE TRANSMISSION TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal and certificates for Shares to the Depository within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to Cedar Bay Company, a New York general partnership (the "Purchaser"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated January 12, 1998 (the "Offer to Purchase") and the related Letter of Transmittal (which together constitute the "Offer"), receipt of which is hereby acknowledged, all, but at least a majority, of the outstanding shares of common stock, par value \$1.00 per share of Cedar Income Fund, Ltd., pursuant to the guaranteed delivery procedures set forth in Section 8 of the Offer to Purchase.

Certificate Nos. (if available):

SIGN HERE

(Signature(s))

If Shares will be tendered by book-entry transfer:

(Name(s)) (Please Type or Print)

Name of Tendering Institution:

(Address)

(Zip Code)

Account No.: _____ at _____

[] The Depository Trust Company (Area Code and Telephone No.)
or
[] Philadelphia Depository Trust Company

Dated: _____, 1998

GUARANTEE

(Not to be used for signature guarantee)

The undersigned, a firm which is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States, guarantees (a) that the above named persons(s) "own(s)" the Shares tendered hereby within the meaning of Rule 14e-4 and under the Securities Exchange Act of 1934, as amended (b) that such tender of Shares complies with Rule 14e-4 and (c) to deliver to the Depositary the Shares tendered hereby, together with a properly completed and duly executed Letter(s) of Transmittal (or facsimile(s) thereof) and any other required documents, all within three (3) New York Stock Exchange, Inc. trading days of the date hereof.

(Name of Firm)

(Authorized Signature)

(Name)

(Address)

(Zip Code)

(Area Code and Telephone No.)

Dated: _____, 1998

OFFER TO PURCHASE FOR CASH
SHARES OF COMMON STOCK
OF
CEDAR INCOME FUND, LTD.
AT
\$7.00 NET PER SHARE
BY
CEDAR BAY COMPANY

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW
YORK CITY TIME, ON FEBRUARY 10, 1998, UNLESS THE OFFER IS EXTENDED.

January 12, 1998

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing copies of the following documents:

1. Offer to Purchase, dated January 12, 1998, of Cedar Bay Company (the "Purchaser").
2. Letter of Transmittal to tender Shares for your use and for the information of your clients. Facsimile copies of the Letter of Transmittal may be used to tender Shares.
3. Notice of Guaranteed Delivery for Shares to be used to accept the Offer if certificates for Shares are not immediately available or if such certificates and all other required documents cannot be delivered to The Bank of New York (the "Depository") by the Expiration Date or if the procedure for book-entry transfer cannot be completed by the Expiration Date.
4. A form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer.
5. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.
6. A return envelope addressed to the Depository.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FEBRUARY 10, 1998, UNLESS THE OFFER IS EXTENDED.

In order to accept the Offer, a duly executed and properly completed Letter of Transmittal with any required signature guarantees, and any other required documents, should be sent to the Depository, and either stock certificates representing the tendered Shares should be delivered to the Depository, or such certificates for such Shares should be tendered by book-entry transfer into the Depository's account maintained at one of the Book-Entry Transfer Facilities (as described in the Offer to Purchase), all in accordance with the instructions set forth in the Letter of Transmittal and the Offer to Purchase.

If holders of Shares wish to tender, but it is impracticable for them to forward their stock certificates for the Shares or other required documents on or prior to the Expiration Date or to comply with the book-entry transfer procedures on a timely basis, a tender may be effected by following the guaranteed delivery procedures specified in Section 8 ("Procedures for Accepting the Offer and Tendering Shares -- Guaranteed Delivery") of the Offer to Purchase.

The Purchaser will not pay any commissions or fees to any broker, dealer or other person for soliciting tenders of Shares pursuant to the Offer. The Purchaser will, however, upon request, reimburse you for reasonable

and necessary clerical and mailing expenses incurred by you in forwarding any of the enclosed materials to your clients. The Purchaser will pay or cause to be paid any stock transfer taxes payable on the transfer of Shares to it, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed material may be obtained from, Georgeson & Company Inc. at 1-800-223-2064.

Very truly yours,

GEORGESON & COMPANY INC.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF THE PURCHASER, CEDAR INCOME FUND, LTD., THE DEPOSITARY OR THE INFORMATION AGENT, OR ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENT OR USE ANY DOCUMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

CEDAR BAY COMPANY
OFFER TO PURCHASE FOR CASH
SHARES OF COMMON STOCK
OF CEDAR INCOME FUND, LTD. AT \$7.00 NET PER SHARE

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated January 12, 1998 (the "Offer to Purchase"), and the related Letter of Transmittal (which together constitute the "Offer") relating to the Offer by CEDAR BAY COMPANY, a New York general partnership (the "Purchaser"), to purchase all, but not less than a majority, of the shares of Common Stock, par value \$1.00 per share (the "Shares"), of CEDAR INCOME FUND, LTD., an Iowa business corporation (the "Company"), at a price of \$7.00 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal. WE ARE THE HOLDER OF RECORD OF SHARES HELD BY US FOR YOUR ACCOUNT. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

Accordingly, we request instructions as to whether you wish to have us tender on your behalf any or all Shares held by us for your account pursuant to the terms and conditions set forth in the Offer. Please note the following:

1. The tender price is \$7.00 per Share net to you in cash without interest thereon, upon the terms and subject to the conditions set forth in the Offer.

2. The Offer is being made for all, but not less than a majority, of the Shares.

3. THE OFFER IS CONDITIONED UPON AT LEAST A MAJORITY OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO CERTAIN CONDITIONS. SEE SECTION 10 OF THE OFFER TO PURCHASE.

4. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer.

5. The Offer and withdrawal rights will expire at 12:00 Midnight, New York City Time, on February 10, 1998, unless the Offer is extended.

6. Payment for Shares purchased pursuant to the Offer will in all cases be made only after timely receipt by The Bank of New York (the "Depository") of (a) certificates with respect to Shares or timely confirmation of the book-entry transfer of such Shares into the account maintained by the Depository at The Depository Trust Company or the Philadelphia Depository Trust Company (collectively, the "Book-Entry Transfer Facilities"), pursuant to the procedures set forth in Section 8 of the Offer to Purchase, (b) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees and (c) any other documents required by the Letter of Transmittal. Accordingly, payment may not be made to all tendering stockholders at the same time depending upon when certificates for or confirmations of book-entry transfer of such Shares into the Depository's account at a Book-Entry Transfer Facility are actually received by the Depository.

If you wish to have us tender any or all of the Shares held by us for your account, please so instruct us by completing, executing, detaching and returning to us the instruction form set forth on the next page of this letter. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified on the back of this letter. An envelope to return your instructions to us is enclosed. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the expiration of the Offer.

The Offer is not being made (nor will tenders be accepted from or on behalf of) to holders of Shares residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. However, the Purchaser may, in its discretion, take such action as it may deem necessary or appropriate to make the Offer in any jurisdiction and to extend the Offer to holders of Shares in such jurisdiction.

In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number to Give the Payer. Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer.

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>
For this type of account:	Give the SOCIAL SECURITY number of --	For this type of account:	Give the EMPLOYER IDENTIFICATION number of --
1. An individual account	The individual	9. A valid trust, estate or pension trust	Legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, any one of the individuals(1)	10. Corporate account	The Corporation
3. Husband and wife (joint account)	The actual owner of the account or, if joint funds, either person(1)	11. Religious, charitable, or educational organization account	The organization
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)	12. Partnership account held in the name of the business	The partnership
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)	13. Association, club, or other tax-exempt organization	The organization
6. Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor, or incompetent person(3)	14. A broker or registered nominee	The broker or nominee
7. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)	15. Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments	The public entity
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)		
8. Sole proprietorship account	The Owner(4)		

</TABLE>

- (1) List first and circle the name of the person whose number you furnish.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
- (4) Show the name of the owner.
- (5) List first and circle the name of the legal trust, estate or pension trust.

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

Page 2

Obtaining a Number

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

Payees Exempt from Backup Withholding

Payees specifically exempted from backup withholding on All payments include the following:

- o A corporation
- o A financial institution.
- o An organization exempt from tax under section 501(a), or an individual retirement plan.
- o The United States or any agency or instrumentality thereof.
- o A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- o A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- o An international organization or any agency, or instrumentality thereof.
- o A registered dealer in securities or commodities registered in the U.S. or a possession of the U.S.
- o A real estate investment trust.
- o A common trust fund operated by a bank under section 584(a).
- o An exempt charitable remainder trust, or a non-exempt trust described in section 4947(a)(1)
- o An entity registered at all times under the Investment Company Act of 1940.
- o A foreign central bank of issue.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- o Payments to nonresident aliens subject to withholding under section 1441.
- o Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident partner.
- o Payments of patronage dividends where the amount received is not paid in money.
- o Payments made by certain foregoing organizations.
- o Payments made to a nominee.

Payments of interest not generally subject to backup withholding include the following:

- o Payments of interest on obligations issued by individuals.

Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.

- o Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- o Payments described in section 6049(b)(5) to nonresident aliens.
- o Payments on tax-free covenant bonds under section 1451.
- o Payments made by certain foreign organizations.
- o Payments made to a nominee.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

Certain payments other than interest, dividend, and patronage dividends, that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041A(a), 6045, and 6050A.

Privacy Act Notice. - Section 6109 requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to the IRS. IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Beginning January 1, 1984 payers must generally withhold 20% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties must also apply.

Penalties.

(1) Penalty for failure to Furnish Taxpayer Identification Number. - If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Failure to Report Certain Dividend and Interest Payments. - If you fail to include any portion of an includible payment for interest, dividends, or patronage dividends in gross income, such failure will be treated as being due to negligence and will be subject to a penalty of 5% on any portion of an underpayment attributable to that failure unless there is clear and convincing evidence to the contrary.

(3) Civil Penalty for False Information With Respect to Withholding. - If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

(4) Criminal Penalty for Falsifying Information. - Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

FOR IMMEDIATE RELEASE

CONTACT: Alan F. Fletcher
Vice President and Treasurer
Cedar Income Fund, Ltd.
(319) 398-8849

Brenda J. Walker
Vice President
Cedar Bay Company
(516)-883-5577

TENDER OFFER COMMENCED FOR CEDAR INCOME FUND, LTD.

CEDAR RAPIDS, IOWA -- January 12, 1998 -- Cedar Income Fund, Ltd. and Cedar Bay Company today announced that Cedar Bay Company, an affiliate of SKR Management Corp., has commenced a tender offer to acquire all, but not less than a majority, of the outstanding shares of Cedar for \$7.00 per share, net to the seller in cash, without interest thereon, pursuant to, and subject to the terms and conditions of, the Offer to Purchase dated January 12, 1998 (the "Offer"). The Offer is being made pursuant to the terms of the previously announced Memorandum of Understanding, dated as of December 5, 1997, between Cedar and SKR. The Offer is scheduled to expire at 12:00 Midnight, New York City time, on February 10, 1998, unless the Offer is extended.

Cedar Bay has today filed with the Securities and Exchange Commission a Tender Offer Statement on Schedule 14D-1 which contains additional information relating to the Offer, of which the Offer to Purchase is an exhibit.

The Information Agent for the Offer is Georgeson & Company Inc. and the Depository for the Offer is the Bank of New York.

TITAN MANAGEMENT, L.P.
53 Forest Avenue, 2nd floor
Old Greenwich, CT 06870
Voice: (203) 698-0736 Fax: (203) 637-8551

January 6, 1998

Mr. Leo Ullman
SKR Management Corp.
44 South Bayles Avenue
Port Washington, NY 11050

RE: Acquisition Loan Commitment for Cedar Income Fund

Gentlemen:

This letter will confirm that Titan Management, L.P. ("Titan" or "Lender") is prepared to make a share acquisition loan facility (the "Loan") to a New York general partnership formed by two affiliates of SKR Management Corp. ("Borrower") upon the terms and conditions outlined below (the "Commitment"). This Commitment is subject to the terms and conditions contained herein and the execution and delivery by the Borrower of the definitive loan documentation satisfactory to Titan and its counsel. Please indicate your acceptance of this loan commitment by signing and returning this commitment letter along with the required fees to the attention of our attorney, Theodore Fichtenholtz, Esq. on or before January 8, 1998 or this Commitment will expire.

I. Summary of Loan Terms

<TABLE>
<CAPTION>
<S>
Borrower: Cedar Bay Company
Maximum Loan Amount: \$16,250,000.00 (subject to the terms and conditions set forth herein).
Term: One year.
Interest Rate: 13.00 fixed rate of interest for the term of the Loan.
Amortization: None
Purpose of Loan: Acquisition of stock in Cedar Income Fund, Ltd. (the "REIT")
Closing Date: On or before February 11, 1998, time being of the essence as to the Borrower.
Payments/Escrows: Interest is payable in arrears on the first day of each month.
Prepayment: The Loan has a prepayment lockout equivalent to the Lender having received 12 months of interest. No partial prepayments will be permitted.
Security: The Loan shall be secured by a first lien on all shares of the REIT ("Shares") which shall be pledged to Lender and delivered to Lender's counsel or depository bank with stock powers executed in blank. Lender's security interest shall constitute valid first liens, subject to no other liens or encumbrances, on the good and marketable title to the Shares.
Guarantor[s]: All general partners of Borrower, Leo S. Ullman, and SKR Management Corp.

</TABLE>

<TABLE>
<CAPTION>
<S>
Loan Expenses: Borrower shall pay all costs associated with the origination and closing of the Loan and enforcement of Lender's rights under this Commitment, including appraisal fees, engineering and environmental fees, title insurance premiums, survey fees, Lender's attorney fees, mortgage recording and filing fees, and any third party broker fees.

Origination Fee: 2.25 of maximum loan amount due at the closing of the Loan.

Deposits: Upon signing and returning this commitment, the Borrower shall deposit \$3,500.00 to be applied towards Lender's attorney fee in connection with this Loan. If the Loan does not close for any reason, the unused portion of this fee shall be refunded with counsel having billed at the rate of \$250.00 per hour. The Borrower shall also deposit the sum of \$10,000.00 as a good faith deposit which will be applied at closing to the Origination Fee or Lender's other out of pocket costs. This deposit shall be deemed to be earned by Lender at the time it is paid and is non-refundable with the exception of Lender's willful default pursuant to this Commitment. Both deposits should be made by wire transfer payable to Theodore Fichtenholtz Esq., escrow agent.

Net Disbursement of Loan Proceeds at Closing The amount disbursed under this Commitment at closing will be equal to the amount necessary to purchase the Tendered stock, to pay unpaid fees and expenses which are the obligation of the Borrower, including, unpaid Loan Expenses, Origination Fee, Escrows required by the Lender and short interest due through the end of the first payment period of the Loan.

II. Conditions of Loan

1. Borrower. The Borrower shall be the New York general partnership that is formed to own and which ultimately purchases the stock of Cedar Income Fund, Ltd. Each general partner shall have at least one independent director in its controlling entity. The independent director shall be mutually acceptable to both Borrower and Lender. The independent director's responsibilities will be limited to those related to a bankruptcy filing by the Borrower or the general partner. The Borrower's organizational documents shall contain provisions satisfactory to the Lender. The sole business activity of the Borrower shall be the ownership of the Shares. The Borrower shall be prohibited from incurring additional debt, other than the Loan, without the written consent of the Lender. Any fees earned by Borrower, Guarantor or any affiliates thereof shall be subordinated to repayment of all principal and interest due under the Loan Documents.

2. Guarantor. The Loan shall be personally guaranteed by all of the general partners of the Borrower. All partnership interests/shares in Borrower and/or the entity which manages/operates same shall be pledged to the Lender as security for payment of the Loan and/or performance under the guaranty.

</TABLE>

<TABLE>
<CAPTION>
<S>

<C>

3. Loan Amount. The Maximum Loan Amount for this Commitment was approved based on (a) a 13.00% Interest Rate for the term of the Loan, (b) a maximum Loan to Value ratio of 70% based on the value of the assets of the REIT and of the subject properties which are referred to in the commitment letters dated January 6, 1998 concerning the properties owned by The Point Associates, L.P. and Triangle Center Community L.P., each a general partner of Cedar Bay Company, and if the Lender determines through its due diligence that the LTV requirement is not met, the Lender reserves the right, in its absolute discretion to reduce the Loan amount, require additional collateral or cancel this commitment. For purposes of this Commitment, LTV is the ratio of the amount of the Loan to the appraised value, as approved by the Lender, of the Subject Property and any other collateral securing the Loan.

4. Due Diligence. Closing of the Loan is subject to the satisfactory receipt and review by the Lender, in its sole discretion, of the following, at least 7 days prior to the Closing Date:

- a. An M.A.I. appraisal from an appraiser selected by the Lender showing the value of the property owned by the REIT to be in excess of \$16,000,000.00;
- b. A Phase I environmental site assessment from an environmental consultant selected by the Lender and any follow up environmental analysis deemed necessary by the Lender based on the results of the Phase I;
- c. A structural engineering report on the properties owned by the REIT from an engineer selected by the Lender;
- d. The receipt, review and approval of all current and pending leases, service contracts and sales contracts on the property owned by the REIT;

- e. A current rent roll and two previous years of operating statements on the properties owned by the REIT;
- f. Two previous years of federal income tax returns for the general partners of the Borrower and SKR Management Corp.;
- g. A credit report and current financial statements for the general partners of the Borrower and SKR Management Corp; and
- h. A commitment for title insurance for each of the properties owned by the REIT.

5. Loan Documents.

Closing of the Loan is subject to the Borrower's and Guarantor's execution of Lender's standard loan documents, including but not limited to, the Note, the Security Agreement, Negative Pledge, the Guaranty, and Environmental Indemnity Agreement.

</TABLE>

<TABLE>

<S>

<C>

6. Reporting.

After the closing of this Loan, the Borrower shall furnish to the Lender the following information with respect to the properties owned by the REIT and the operations of the REIT:

- a. An updated rent roll as of the end of each applicable period;
- b. Quarterly and year-to-date operating statements as of the end of each applicable period.
- c. An operating statement, balance sheet and sources and uses of funds for the operations of the REIT.
- d. Any other information required under the loan closing documents.

The Lender reserves the right to require an independent audit of any information provided under these Reporting Requirements at Borrower's expense.

7. Governing Law.

This Commitment and the loan shall be governed by the laws of New York.

</TABLE>

III. Closing Requirements

At least three days prior to closing, the Lender and its counsel must receive the following in a form satisfactory to the Lender in its sole discretion:

For each property owned by the REIT:

- 1. A standard form ALTA loan policy of title insurance, to be chosen by Lender's Counsel, in an amount not less than the Loan Amount insuring the first priority lien of the Mortgage against Borrower's fee simple interest in the Subject Property, any easements, rights, covenants or restrictions appurtenant thereto, with only such exceptions to title as shall be acceptable to Lender in its sole discretion, and with such endorsements as may be required by Lender;
- 2. A survey of the applicable property prepared in accordance with ACSM standards with a surveyor's certification;
- 3. Evidence that all insurance coverage which Lender requires is in full force and effect with respect to the applicable property with insurance carriers acceptable to the Lender. Additionally, if required by Lender, certification as to whether the Applicable property lies within a 'flood plain area and/or an earthquake zone;
- 4. All applicable property taxes and assessments will be paid at the Closing;

For Borrower and each general partner:

- 1. Certified corporate charter, by-laws and current good standing certificate for the Borrower/general partner and the Borrower's/general partners corporate resolution authorizing the Loan transaction and electing the independent director required by this Commitment or equivalent documents for noncorporate borrowers.
- 2. All applicable property taxes and assessments will be paid at the Closing. An opinion of Borrower's and Guarantor's counsel licensed to practice law in the state where the Borrower and its constituent entities are organized that:
 - a. Borrower is duly organized, validly existing, in good standing, and

properly licensed under the laws of the state(s) where it is organized and doing business;

- b. Borrower is properly licensed and otherwise qualified to do business in the state where the Applicable property is located;
- c. All Loan documents have been duly authorized executed and delivered and constitute legal, valid and binding obligations of Borrower, enforceable in accordance with their respective

terms, and are not in conflict with the formation documents of Borrower, any obligations of Borrower or any law, rule, regulation, order or decree to which the Borrower, its assets are bound or subject. The opinion of such counsel may be qualified to the extent that enforceability of any instrument referred to therein may be limited by applicable bankruptcy, moratorium or other similar laws, now or hereafter in effect, affecting the enforceability of creditors rights generally;

- d. The Loan is not usurious under the laws of the state of New York.
- e. No court actions are pending or (to the best knowledge of said counsel) threatened against Borrower which would materially affect Borrower's obligations or its financial condition;
- f. No consent or approval of any governmental body or regulatory authority is or will be required in connection with the execution and delivery of, or performance under the Loan documents;
- g. All security interests against the Shares have been perfected under the UCC;
- h. Such other matters as may be requested by the Lender.

If the Borrower is other than a corporation, comparable legal opinions must be delivered for the borrower and each of its managing/operating entities. The counsel providing such opinions shall provide evidence that they carry professional liability insurance in an amount satisfactory to the Lender.

- 3. A certification from the Borrower and Guarantor/principal that no material adverse change has occurred since the date of this Commitment with respect to the credit and financial condition of the Borrower and any of the Borrower's principals or guarantors.

IV. Additional Terms

- 1. This Commitment is issued in reliance upon and subject to the accuracy of all information, representations and other material submitted in support of the loan request. This Commitment may be terminated by the Lender at its sole option without liability in the event:
 - a. The Borrower shall fail to comply with any of the terms hereof;
 - b. Any material information provided to Lender by Borrower (either verbally or in writing) in connection with this Loan is false, misleading or otherwise incomplete;
 - c. There is filed by or against Borrower or Guarantor a petition under any of the provisions of the Federal Bankruptcy Code, as amended, or under any other federal or state insolvency or similar law.
- 2. No changes made by Borrower to this commitment letter shall be binding on lender unless confirmed by a subsequent commitment modification letter signed by both parties.
- 3. This Commitment is executed by an individual strictly in his capacity as a representative of the Lender. By the acceptance of this Commitment, Borrower agrees that no representative, member, partner, shareholder, employee or agent of the Lender shall be personally liable for the payment of any claim or the performance of any obligations hereunder.
- 4. The Loan shall be cross collateralized and cross defaulted to any loan with any loan made by Titan to the Borrower, any affiliate of Borrower or any partner of Borrower. Titan's obligation to close and fund the Loan is contingent upon the acceptance and closing of two loans, one to each general partner, secured by first mortgages on commercial properties owned by the general partners located in Lancaster, PA and Harrisburg, PA.
- 5. The REIT shall be prohibited from incurring any additional indebtedness, other than that which is in existence on the date of this commitment (approximately \$1.4 Million Dollars), without the consent of Lender.
- 6. The Lender will give the Borrower the option to renew the Loan for a second year at a rate of interest of 13.00%, provided that:

- a. The Borrower has not been in default on any Loan term or condition during the life of the Loan;
 - b. The Borrower gives the Lender at least ninety days written notice of its intention to renew the Loan;
 - c. The Borrower pays a renewal fee of 2.00% of the Loan Amount simultaneously with the exercise of its option to renew the loan pursuant with 4b. above;
 - d. The all initial loan underwriting criteria are still met.
7. The Borrower commits to use Titan's brokerage services to obtain permanent financing during the term of this loan if Titan can obtain equally favorable or more favorable terms than those which the Borrower obtains independently of Titan.
 8. The Borrower agrees to pay a brokerage fee to Milt Ciplet and acknowledges that no broker or other parties are entitled to be paid a fee in connection with this Loan and agrees to indemnify the Lender against any claims to the contrary.
 9. After closing of the Loan, the Lender shall have the right to advertise that it has made the Loan.
 10. SKR Management Corp, Leo Ullman, and Brenda Walker agree to pay Lender a breakup fee of \$100,000.00 if the deal does not close for any reason not at the fault of the Lender.

Sincerely,
Titan Management, L.P.
By: GHZ I L.L.C., its General Partner,

By /s/ Ira E. Saferstein

Name: Ira E. Saferstein
Title: Member
Date: January 6, 1998

Accepted and Agreed:

- -----
Name:
Title: