SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended JUNE 30, 1998

OR

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

For the transition period from _____ to _____

Commission File Number 000-14510

CEDAR INCOME FUND, LTD.
(Exact Name of Registrant as Specified in its Charter)

MARYLAND
(State or Other Jurisdiction of Incorporation or Organization)

11-3440062
(I.R.S. Employer Identification No.)

44 South Bayles Avenue, Suite 304, Port Washington, New York 10050
(Address of Principal Executive Offices) (Zip)

Registrant's Telephone No., including Area Code (516) 767-6492

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report.

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

Yes X No _____.

As of August 10, 1998, 542,111 shares of the Registrant's Common Stock, $.01 par value per share, were outstanding.

CEDAR INCOME FUND, LTD.
QUARTERLY REPORT
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1998
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CEDAR INCOME FUND, LTD.
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	JUNE 30, 1998 (Unaudited)	December 31, 1997
<S>	<C>	<C>
ASSETS:		
Real estate:		
Land	$4,146,572	$ 4,126,044
Buildings and improvements	14,717,257	14,636,843
	18,863,829	18,762,887
Less accumulated depreciation	(4,457,543)	(4,217,699)
	14,406,286	14,545,188
Mortgage note receivable	---	564,437
Cash and cash equivalents	14,406,286	15,109,625
Rent and other receivable	932,201	407,216
Interest receivable	75,609	130,615
Prepaid expenses	---------	3,881
	141,160	109,624
Deferred lease commissions	159,901	164,826
Taxes held in escrow	39,823	15,891
Total assets	$15,754,980	$15,941,683
LIABILITIES AND STOCKHOLDERS' EQUITY:		
LIABILITIES:		
Mortgage loan payable	$ 1,387,803	$1,400,259
Accounts payable and accrued expenses	246,350	162,320
Escrow payable	32,497	---------
Amounts due to affiliates	4,543	62,570
Security deposits	82,006	80,085
Advance rents	27,347	9,347
Total liabilities	1,780,546	1,714,581
Limited Partner's minority interest in consolidated Operating Partnership	10,056,942	---------
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value, 5,000,000 and 0 shares authorized, none issued or outstanding	----------	----------
Common Stock, $.01 and $1.00 par value, 50,000,000 and 5,020,000 shares authorized, 542,111 and 2,245,411 shares issued and outstanding, respectively	542,111	2,245,411
Additional paid in capital	3,375,381	11,981,691
Total stockholders' equity	3,917,492	14,227,102
Total liabilities and stockholders' equity	$15,754,980	$15,941,683

SEE ACCOMPANYING NOTES.

</TABLE>

CEDAR INCOME FUND, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
Revenues:				
Rental income	$ 632,324	$ 603,699	$ 1,272,394	$ 1,142,318
Interest income	10,922	19,923	42,208	41,219
Total Revenues	643,246	623,622	1,314,602	1,184,537
Expenses:				
Property expenses:				
Wages and salaries	---------	5,436	--------	10,154
Real estate taxes	59,609	64,070	119,218	128,493
Repairs and maintenance	46,887	87,338	118,346	162,873
Utilities	36,101	35,735	71,766	67,546
Management fee	31,758	30,185	63,710	57,166
Insurance	3,504	4,835	8,413	9,748
Other	25,342	26,621	26,621	51,724
Property expenses, excluding depreciation	203,201	254,220	430,231	488,134
Depreciation	118,826	105,575	239,844	217,934
Total property expenses	322,027	359,795	670,075	706,068
Interest	32,625	34,103	65,396	68,340
Administrative fees	24,468	25,266	50,244	50,619
Directors' fees and expenses	12,733	10,034	33,738	21,899
Other administrative expenses	230,707	12,003	289,739	30,983
Total expenses	622,560	441,201	1,118,192	877,909
Net income	$ 20,686	$ 182,421	$ 196,410	$ 306,628
Net income per share	$ 0.01	$ 0.08	$ 0.09	$ 0.14

Dividends to stockholders	$ 224,541	$ 224,541	$ 449,082	$ 449,082
Dividends to stockholders per share	$ 0.10	$ 0.10	$ 0.20	$ 0.20
Average number of shares outstanding	2,245,411	2,245,411	2,245,411	2,245,411

SEE ACCOMPANYING NOTES.

</TABLE>

CEDAR INCOME FUND, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30, 1998	Six Months Ended June 30, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
<S>	<C>	<C>
Rents collected	$1,368,054	$1,158,002
Interest received	42,208	41,251
Payments for operating expenses	(823,599)	(601,774)
Interest paid	(63,396)	(66,507)
Net cash provided by operating activities	521,267	530,972
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(100,951)	(298,001)
Principal portion of scheduled mortgage loan collections	2,517	4,676
Principal repayment on mortgage loan receivable	561,920	---
Security deposits collected, net	1,770	15,825
Net cash provided by (used in) by investing activities	465,256	(277,500)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal portion of scheduled mortgage loan payments	(12,456)	(11,345)
Dividends paid to stockholders	(449,082)	(449,082)
Net cash provided by (used in) financing activities	(461,538)	(460,427)
Net increase (decrease) in cash and cash equivalents	524,985	(206,955)
Cash and cash equivalents at beginning of period	407,216	670,306
Cash and cash equivalents at end of period	$932,201	$463,351
RECONCILIATION OF NET EARNINGS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net earnings	$196,410	$306,628
Add (deduct) reconciling adjustments:		
Depreciation	239,844	217,934
Amortization	1,834	1,833
Increase (decrease) in rent and other receivables	54,706	(16,075)
Decrease in interest receivable	3,881	32
Decrease (increase) in prepaid expenses	(56,983)	8,500
Increase (decrease) in deferred lease commissions	4,925	(59,271)
Increase in operating accounts payable and accrued expenses	116,677	73,220
Decrease in amounts due to affiliates	(58,027)	(4,907)
Increase in advance rents	18,000	3,078
Net cash provided by operating activities	$ 521,267	530,972

</TABLE>

SEE ACCOMPANYING NOTES.

to Consolidated Financial
Statements (Unaudited)

1. REORGANIZATION OF THE COMPANY

Pursuant to a Memorandum of Understanding dated as of December 5, 1997 (the "Memorandum of Understanding"), between Cedar Income Fund, Ltd., an Iowa corporation ("Old Cedar"), and SKR Management Corp. ("SKR"), Cedar Bay Company ("Cedar Bay"), an affiliate of SKR, purchased 1,893,038.335 shares of Old Cedar's outstanding Common Stock, $1.00 par value per share ("Old Common Stock"), on April 2, 1998 through a tender offer (the "Tender Offer") for a purchase price of $7.00 per share in cash.

On June 26, 1998, Old Cedar merged (the "Merger") with and into Cedar Income Fund, Ltd., a newly-formed Maryland corporation and a wholly-owned subsidiary of Old Cedar ("New Cedar"). Immediately thereafter, New Cedar assigned substantially all of its assets and liabilities to a newly-formed Delaware limited partnership, Cedar Income Fund Partnership, L.P. (the "Operating Partnership"), in exchange for an aggregate of 2,245,411 units of the Operating Partnership ("Units"), which constituted the sole general partner interest and all of the limited partnership interests in the Operating Partnership. Immediately after such assignment, Cedar Bay exchanged 1,703,300 shares of New Cedar's Common Stock, $.01 par value per share ("New Common Stock"), for 1,703,300 limited partner Units in the Operating Partnership owned by New Cedar. The shares of New Common Stock were cancelled upon their exchange by Cedar Bay. Following these transactions, Cedar Bay owned 189,737 shares of New Common Stock, aggregating approximately 35% of the issued and outstanding shares of New Common Stock.

As used herein, the term "Company" refers to Old Cedar prior to the Merger and New Cedar subsequent to the Merger and the term "Common Stock" refers to Old Common Stock prior to the Merger and New Common Stock subsequent to the Merger.

As of June 30, 1998, the Company owned and operated three office properties aggregating approximately 224,000 square feet located in Jacksonville, Florida, Salt Lake City, Utah and Bloomington, Illinois and a 50% undivided interest in a 74,000 square foot retail property located in Louisville, Kentucky.

In March 1998, Life Investors Insurance Company of America, an affiliate of the Company's former management company and advisor, exercised its right to repurchase the mortgage receivable balance from the Company. The Company invested the proceeds of this sale of the mortgage receivable balance in the Company's money market fund.

2. BASIS OF PRESENTATION

The accompanying interim financial statements have been prepared by the Company's management in accordance with generally accepted accounting principles for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission. In the opinion of management, the interim financial statements presented herein reflect all adjustments of a normal and recurring nature which are necessary to fairly state the interim financial statements. The results of operations for the interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. These financial statements should be read in conjunction with the Company's audited financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

The accompanying consolidated financial statements include the consolidated financial position of the Company and the Operating Partnership as of June 30, 1998. All significant intercompany balances and transactions have been eliminated in consolidation.

Since the Company owns the sole general partner interest in the Operating Partnership, which provides the Company with effective control over all significant activities of the Operating Partnership, the Operating Partnership is consolidated with the Company in the accompanying financial statements as of June 30, 1998.

The minority interest as of June 30, 1998 (currently owned entirely by Cedar Bay) represents approximately a 76% limited partner interest in the equity of the Operating Partnership.

The Company intends to continue to qualify as a real estate investment trust ("REIT") under Sections 856 through 869 of the Internal Revenue Code of 1986, as amended (the "Code"). As a REIT, the Company will not generally be subject to Federal corporate income taxes as long as it satisfies certain technical requirements of the Code relating to composition of its income and assets and certain requirements relating to distributions of taxable income to stockholders.

3. MORTGAGE NOTES PAYABLE

As of June 30, 1998, the Company had one fixed-rate mortgage loan obligation

which had a principal amount of $1,387,803 and which will mature on November 1, 2002. The loan is collateralized by the office property located in Salt Lake City, Utah has an interest rate per annum of 9.375% and requires annual principal and interest payments of $155,704.

4. STOCKHOLDERS' EQUITY

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

4. STOCKHOLDERS' EQUITY (CONTINUED)

The Company established a stock option plan (the "Plan") for the purpose of attracting and retaining executive officers, directors and other key employees. As of June 30, 1998, 500,000 of the Company's authorized shares of Common Stock have been reserved for issuance under the Plan. The Plan is administered by a committee of the Board of Directors, which committee will, among other things, select the number of shares subject to each grant, the vesting period for each grant and the exercise price (subject to applicable regulations with respect to incentive stock options) for the options. As of June 30, 1998, no options have been granted under the Plan.

5. RELATED PARTY TRANSACTIONS

Pursuant to the Memorandum of Understanding (discussed in Note 1), the Company terminated the Administrative and Advisory Agreement between the Company and AEGON USA Realty Advisors, Inc., and the Management Agreement between the Company and AEGON USA Realty Management, Inc. effective upon the consummation of the Tender Offer.

The Company entered into an Administrative and Advisory Agreement (the "Advisory Agreement") with Cedar Bay Realty Advisors, Inc. ("Cedar Bay Realty") to provide the Company with administrative, advisory, acquisition, divestiture, property management, leasing and stockholder services. Cedar Bay Realty is wholly-owned by Leo S. Ullman who is Chairman of the Board of Directors and President of the Company. The term of the Advisory Agreement is for one (1) year and is automatically renewed annually for an additional year subject to the right of either party to cancel the Advisory Agreement upon 60 days written notice. Cedar Bay Realty receives fees for its administrative and advisory services as follows: (a) an administrative and advisory fee equal to 3/4 of 1% of the estimated current value of real estate assets of the Company, plus 1/4 of 1% of the estimated current value of all other assets of the Company; (b) an acquisition fee equal to 5% of the gross purchase price of any real property acquired during the term of the Advisory Agreement subject to a maximum amount as defined; and (c) a disposition fee equal to 3% of the gross sales price, as defined, of any real property disposed of during the term of the Advisory Agreement; provided that no disposition fee shall be paid unless and until the stockholders have received certain distributions from the Company. In addition, Cedar Bay Realty may receive one-half of the brokerage commission on such a disposition but only up to 3% of the price actually paid for the property, subject to certain limitations. Furthermore, if the Advisory Agreement is terminated prior to the liquidation of the Company, Cedar Bay Realty will be entitled to payment for dispositions, as defined.

5. RELATED PARTY TRANSACTION (CONTINUED)

The Company entered into a Management Agreement (the "Management Agreement") with Brentway Management LLC ("Brentway") to provide the Company with property management and leasing services. Brentway is owned by Leo S. Ullman and Brenda J. Walker who is Vice President and Treasurer of the Company. The term of the Management Agreement is for one (1) year and is automatically renewed annually for an additional year subject to the right of either party to cancel the Management Agreement upon 60 days written notice. Brentway receives fees for its property management services as follows: a management fee equal to 5% of the gross income from properties managed and leasing fees of up to 6% of the rent to be paid during the term of the lease procured. Brentway provides similar services for other properties owned by partnerships in which Mr. Ullman has interests.

On June 1, 1998, the Company entered into a Financial Advisory Agreement (the "BVC Agreement") with B.V. Capital Markets, Inc. ("BVC") of which Jean-Bernard Wurm, a director of the Company, serves as a director. Pursuant to the BVC Agreement, BVC has agreed to perform the following services as financial advisor

to the Company: (a) advise on acquisition financing and/or line of credit for future acquisitions; (b) advise on acquisitions of United States real property interests and the consideration to be paid therefor; (c) advise on private placements of the shares of the Company; (d) assist the Board of Directors in developing suitable investment parameters for the Company; (e) develop and maintain contacts on behalf of the Company with institutions with substantial interests in real estate and capital markets; (f) advise the Board with respect to additional private or public offerings of equity securities of the Company; (g) review certain financial policy matters with consultants, accountants, lenders, attorneys and other agents of the Company; and (h) prepare periodic reports of its performance of the foregoing services. As compensation for the foregoing services, the Company is required to pay BVC: (i) .25% of the Company's net asset value, less any indebtedness affecting such net value, but in any event, not less than $100,000 per year; (ii) a one-time payment of 1.5% of 90% of the agreed value of properties contributed to the Company or its affiliates by persons introduced to the Company by BVC; and (iii) upon the Company becoming self-administered, a one-time payment equal to five times the annual fee income attributable to fee receipts from clients or contacts of BVC that have contributed property to the Company. The term of the BVC Agreement is for a period of one (1) year and is automatically renewed annually for an additional year subject to the right of either party to cancel at the end of any year upon 60 days written notice.

6. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Exchange of limited partner interests in the Operating Partnership held by the Company for Common Stock of the Company held by Cedar Bay and cancellation of exchanged shares:

Common Stock	1,703,300
Capital in excess of par value	$8,353,642

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements of Cedar Income Fund, Ltd. (the "Company") and related notes thereto.

OVERVIEW AND BACKGROUND

The Company operates as an equity-based real estate investment trust. It is managed and advised by two entities that are affiliates of Leo S. Ullman, the Chairman of the Board of Directors and President of the Company.

On June 26, 1998, Cedar Income Fund, Ltd., an Iowa corporation ("Old Cedar"), merged (the "Merger") with and into Cedar Income Fund, Ltd., a newly-formed Maryland corporation and a wholly-owned subsidiary of Old Cedar ("New Cedar"). Immediately thereafter, New Cedar assigned substantially all of its assets and liabilities to a newly-formed Delaware limited partnership, Cedar Income Fund Partnership, L.P. (the "Operating Partnership") in exchange for an aggregate of 2,245,411 units of the Operating Partnership ("Units"), which constituted the sole general partner interest and all of the limited partnership interests in the Operating Partnership. Immediately after such assignment, Cedar Bay exchanged 1,703,300 shares of New Cedar's Common Stock, $.01 par value per share ("New Common Stock"), for 1,703,300 limited partner Units in the Operating Partnership owned by New Cedar. The shares of New Common Stock were cancelled upon their exchange by Cedar Bay. Following these transactions, Cedar Bay owned 189,737 shares of New Common Stock, aggregating approximately 35% of the issued and outstanding shares of New Common Stock.

The Company has no employees and has contracted with Cedar Bay Realty Advisors, Inc. ("Cedar Bay Realty") to provide the Company with administrative, advisory, acquisition, divestiture, property management, leasing and stockholder services pursuant to an Administrative and Advisory Agreement. Brentway Management LLC ("Brentway") provides property management and leasing services to the Company pursuant to a Management Agreement. The Company has also entered into a Financial Advisory Agreement with BVC Capital Markets, Inc. ("BVC") pursuant to which BVC will perform certain services as a financial advisor to the Company.

As of June 30, 1998, the Company owned and operated (i) three office properties: Southpoint Parkway Center, located in Jacksonville, Florida; Broadbent Business Center, located in Salt Lake City, Utah; and Corporate Center East, located in Bloomington, Illinois; and (ii) a 50% undivided interest in a retail property, Germantown Square Shopping Center, located in Louisville, Kentucky.

RESULTS OF OPERATIONS

Net income for the three months and six months ended June 30, 1998 were $20,686 ($.01 per share) and $196,410 ($.09 per share) compared to $182,421 ($.08 per share) and $306,628 ($.14 per share), respectively, for the same periods in 1997. (All per share amounts are on a fully diluted basis.)

RESULTS OF OPERATIONS (CONTINUED)

Cash from operations (net income plus depreciation) for the three months and six months ended June 30, 1998 were $139,512 and $436,254 compared to $287,996 and $524,562 for the same periods a year ago. Net income and cash from operations were significantly lower in the second quarter of 1998, compared to 1997, primarily due to an increase in other administrative expenses as a result of the Company's reorganization: changing its domicile to Maryland from Iowa, creating the Operating Partnership and transferring substantially all of the assets of the Company to the Operating Partnership.

Rental income for the three months and six months ended June 30, 1998 was $632,324 and $1,272,394, compared to $603,699 and $1,142,318 for the same periods in 1997, an increase of 4.7% and 11.4%, respectively. The increase in rental income is primarily due to the lease of vacant space at Corporate Center East in 1997 and increased base rent from a large tenant in Southpoint Parkway Center in 1997.

Total property expenses, excluding depreciation, for the three months and six months ended June 30, 1998 decreased to 32% and 34% of rental income from 42% and 43% of rental income, respectively, for the same periods in 1997. For the three months and six months ended June 30, 1998, repairs and maintenance decreased $40,000 and $44,500 over the same periods in 1997, primarily due to reduced costs at Broadbent Business Center and Corporate Center East.

LIQUIDITY AND CAPITAL RESOURCES

In March 1998, Life Investors Insurance Company of America, an affiliate of the Company's former management company and advisor, exercised its right to repurchase the mortgage receivable balance from the Company. The Company invested the proceeds of this sale of the mortgage receivable balance in the Company's money market fund.

The Company's liquidity at June 30, 1998 represented by cash and cash equivalents was $932,201 compared to $407,216 at December 31, 1997, an increase of $524,985. Cash flow from operating activities, for the six month period ended June 30, 1998 was $521,267 compared with $530,972 over the same period in 1997, a decrease of $9,705. The Company considers this liquidity sufficient to meet current operating needs, including dividend requirements.

The Company is seeking line of credit and equity capital to be used for future growth and acquisitions. There is no assurance that these will be obtained.

INFLATION

Low to moderate levels of inflation during the past few years have favorably impacted the Company's operations by stabilizing operating expenses. At the same time, low inflation has the indirect effect of reducing the Company's ability to increase tenant rents. Many of the leases of the Company's properties include provisions requiring the tenants to reimburse the Company for the amounts spent by the Company on property operating expenses and other provisions the result of which is to minimize the effect of inflation.

YEAR 2000 ISSUE

Although the Company does not employ any computer systems in its business, Cedar Bay Realty, the Company's advisor, and Brentway, the Company's property manager, do employ computer systems in managing the Company's business. The Company could be adversely affected if the computer systems used by Cedar Bay Realty, Brentway or other service providers do not properly process and calculate date related information from and after January 1, 2000. Cedar Bay Realty and Brentway have advised the Company that they are taking steps which they believe are reasonably designed to address this issue with respect to computer systems that they use. These steps include an upgrade of their computer software to a version that will properly process and calculate date related information from and after January 1, 2000. In addition, Cedar Bay Realty and Brentway have advised the Company that they will endeavor to obtain reasonable assurances that comparable steps are being taken by the Company's other major service providers. Cedar Bay Realty and Brentway have informed the Company that they currently anticipate the upgrade of their computer software prior to January 1, 1999. While the Company believes that the planning efforts of Cedar Bay Realty and Brentway are adequate to address the Company's Year 2000 concerns, there can be no assurance that the systems of other companies on which the Company's systems and operations rely will be converted on a timely basis and will not have a material effect on the Company. The cost of Cedar Bay Realty and Brentway's Year 2000 initiatives will be borne entirely by Cedar Bay and Brentway, respectively, and not by the Company.

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

The Company held its Annual Meeting of Stockholders on June 25, 1998, at which the following matters were voted upon:

1. Approval of change in state of incorporation.
2. Approval of transfer of assets to the Operating Partnership.
3. Election of five directors, divided and classified into three classes.
4. Approval of Ernst & Young LLP as independent auditors for the fiscal year ending December 31, 1998.
5. Approval of 1998 Stock Option Plan.

The results of the meeting were as follows:

	FOR	AGAINST	ABSTAIN
Proposal 1	1,914,190.571	1,212.312	2,784.00
Proposal 2	1,914,190.571	1,412.312	2,584.00
Proposal 4	1,970,162.571	512.312	1,762.00
Proposal 5	1,914,390.571	1,412.312	2,384.00

The results with respect to the election of directors were as follows:

	FOR	WITHHELD AUTHORITY
Leo S. Ullman	1,971,102.571	1,334.312
J.A.M.H. der Kinderen	1,971,102.571	1,334.312
Everett B Miller III	1,971,102.571	1,334.312
Brenda J. Walker	1,971,102.571	1,334.312
Jean-Bernard Wurm	1,971,102.571	1,334.312

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) EXHIBITS

Exhibit 3(i) Articles of Incorporation

Exhibit 3(ii) By-laws (Incorporated by Reference to Appendix D to the Registrant's Definitive Schedule 14A filed on June 9, 1998)

Exhibit 10.1 Administrative and Advisory Agreement

Exhibit 10.2 Management Agreement

Exhibit 10.3 Financial Advisory Agreement

Exhibit 27 Financial Data Schedule

SIGNATURE

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

CEDAR INCOME FUND, LTD.

Date: August 14, 1998

By: /s/ Brenda J. Walker

Brenda J. Walker
Chief Financial Officer

(Principal Financial and Accounting Officer and Duly Authorized Officer)

CEDAR INCOME FUND, LTD.

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIALLY NUMBERED PAGE
3(i)	Articles of Incorporation	13
10.1	Administrative and Advisory Agreement	27

EXHIBIT 3(I) ARTICLES OF INCORPORATION

CORRECTED ARTICLES OF INCORPORATION
OF
CEDAR INCOME FUND, LTD.

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

ARTICLE I

NAME

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

ARTICLE II

PRINCIPAL OFFICE, REGISTERED OFFICE AND AGENT

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

ARTICLE III

PURPOSES

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

ARTICLE IV

CAPITAL STOCK

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

B. COMMON STOCK

1. DIVIDEND RIGHTS. Subject to the preferential dividend rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph C of this Article IV, Holders (as defined below) shall be entitled to receive such dividends as may be declared by the Board of Directors of the Corporation. Upon the declaration of dividends hereunder, Holders shall be entitled to share in all such dividends, pro rata, in accordance with the relative number of shares of Common Stock held by each such Holder.

2. RIGHTS UPON LIQUIDATION. Subject to the preferential rights of the Preferred Stock, if any, as may be determined by the Board of Directors of the Corporation pursuant to paragraph C of this Article IV, in the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, each Holder shall be entitled to receive, ratably with each other Holder, that portion of the assets of the Corporation available for distribution to its stockholders as the number of shares of the Common Stock held by such Holder bears to the total number of shares of Common Stock then outstanding.

3. VOTING RIGHTS. Each Holder shall be entitled to vote on all matters (on which a holder of Common Stock shall be entitled to vote), and shall be entitled to one vote for each share of the Common Stock held by such Holder.

4. RESTRICTIONS ON OWNERSHIP AND TRANSFER TO PRESERVE TAX BENEFIT.

(a) DEFINITIONS

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

following meanings:

"Act" shall mean the General Corporation Law of Maryland.

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

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

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

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

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

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

"Existing Holder Limit" (i) for any Existing Holder who is an Existing Holder by virtue of clause (i) of the definition thereof, shall mean, initially, the percentage of Common Stock Beneficially Owned by such Person immediately after the Merger, and after any adjustment pursuant to subparagraph B(4)(i) of this Article IV, shall mean such percentage of the outstanding Common Stock as so adjusted; and (ii) for any Existing Holder who becomes an Existing Holder by virtue of clause (ii) of the definition thereof, shall mean, initially, the percentage of the outstanding Common Stock Beneficially Owned by such Existing Holder at the time that such Existing Holder becomes an Existing Holder, and after any adjustment pursuant to subparagraph B(4)(i) of this Article IV, shall mean such percentage of the outstanding Common Stock as so adjusted; provided, however, that the Existing Holder Limits for all Existing Holders when combined shall not exceed 35% of the Corporation's Common Stock. For purposes of determining the Existing Holder Limit, the amount of Common Stock outstanding at the time of the determination shall be deemed to include the maximum number of shares that Existing Holders may beneficially own with respect to options and rights to convert Units into Common Stock pursuant to Section 8.6 of the Partnership Agreement and shall not include shares that may be Beneficially Owned solely by other persons upon exercise of options or rights to convert into Common Stock. From the Date of the Merger and prior to the Restriction Termination Date, the Secretary of the Corporation shall maintain and, upon request, make available to each Existing Holder, a schedule which sets forth the then current Existing Holder Limits for each Existing Holder.

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

"IRS" shall mean the United States Internal Revenue Service.

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

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

"Ownership Limit" shall initially mean 3.5% of the outstanding

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

"Partner" shall mean any Person owning Units.

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

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

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

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

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

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

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

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

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

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

(b) RESTRICTION ON OWNERSHIP AND TRANSFERS.

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

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

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

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

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

(c) EFFECT OF TRANSFER IN VIOLATION OF SUBPARAGRAPH (B)(4)(B).

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

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

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

(iv) Any dividend or distribution paid prior to the discovery by the Corporation that shares of Common Stock have been

transferred in violation of subparagraph B(4)(b) of this Article IV, shall be repaid to the Corporation upon demand and shall be held in trust for the Designated Charity. Any dividend or distribution declared but unpaid shall be rescinded as void AB INITIO with respect to such shares of stock.

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

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

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

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

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

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

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

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

(j) LIMITATIONS ON MODIFICATIONS.

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

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

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

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

(k) EXCEPTIONS.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

BOARD OF DIRECTORS

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

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

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

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

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

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

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

ARTICLE VI

LIABILITY

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

ARTICLE VII

INDEMNIFICATION

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

ARTICLE VIII

EXISTENCE

The Corporation is to have perpetual existence.

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

Dated the 24th day of July, 1998.

/s/ James T. Cunningham

JAMES T. CUNNINGHAM

EXHIBIT 10.1 ADMINISTRATIVE AND ADVISORY AGREEMENT

ADMINISTRATIVE AND ADVISORY AGREEMENT

THIS AGREEMENT is made and entered into as of this 2nd day of April, 1998, by and between CEDAR INCOME FUND, LTD., an Iowa corporation (hereinafter referred to as the "Company" and CEDAR BAY REALTY ADVISORS, INC., a New York corporation with its principal place of business at 44 South Bayles Avenue, Port Washington, NY 11050 (hereinafter referred to as "the Advisor"). In consideration of the mutual covenants, promises and agreements herein contained, the Company and the Advisor do hereby covenant, promise and agree to and with each other as follows:

W I T N E S S E T H:

1. PARTIES AND INTEREST:

The Company intends to operate as a Real Estate Investment Trust under the provisions of Section 856 ET SEQ. of the Internal Revenue Code of 1954, as amended. The Company has no employees and, therefore, must hire an administrator to perform the day-to-day administrative functions of the Company. The Advisor has the experience and employees necessary and suitable for the administration of the Company's business and desires to undertake the administration of the Company's day-to-day operations. The Advisor is an independent contractor and the Company shall have no voice in the selection or discharge of the Advisor's employees, representatives or subcontractors, and no control over the specific manner in which the work shall be done, but the Advisor are not, and shall not be deemed to be, partners or joint venturers with each other.

2. TERM:

The Company does hereby designate the Advisor, and the Advisor hereby accepts such designation, as the administrator and advisor for the Company's operations for the term of one (1) year commencing on the effective date hereof. This designation shall be automatically renewed annually on each anniversary of such commencement date for an additional one (1) year period. This Agreement may, however, be terminated by either party at any time, with or without cause, upon not less than sixty (60) days prior written notice given by the Company by a majority of the Independent Directors (as defined in the Articles of Incorporation of the Company) or by the Advisor by its duly authorized representatives, to the other party of its intention to so terminate. In the event of termination of this Agreement, neither party shall have any further rights, obligations or liabilities under this Agreement except those which are accrued through the effective date of such termination; provided, however, the Advisor shall cooperate with the Company and take all reasonable steps requested to assist the Company in making an orderly transition of the advisory function.

3. DUTIES OF THE ADVISOR:

Subject to the ultimate supervision, direction and control of the Board of Directors of the Company and consistent with the Articles of Incorporation of the Company, the Advisor shall administer the day-to-day operations of the Company, which shall include the following services:

(1) Provide office space and equipment, personnel and general office services necessary to conduct the day-to-day operations of the Company;

(2) Select and conduct relations with accountants, attorneys, brokers, banks and other lenders, and such other parties as may be considered necessary in connection with the Company's business and investment activities, including, but not limited to, obtaining services required in the acquisition, management and disposition of investments, collection and disbursement of funds, payment of debts and fulfillment of obligations of the Company, and prosecuting, handling and settling any claims of the Company;

(3) Provide property acquisition and disposition services, research, economic and statistical data, and investment and financial advice to the Company, and

(4) Maintain appropriate legal, financial, tax, accounting and general business records of activities of the Company and render appropriate periodic reports to the Directors and shareholders of the Company and to regulatory agencies, including the Internal Revenue Service, Securities and Exchange Commission, and similar state agencies.

The Advisor may perform additional services which are of an extraordinary nature requiring time, resources and expertise beyond

that reasonably expected of the Advisor for a separately negotiated fee or expense reimbursement on such other terms and conditions as are agreed to between the Advisor and the Company. Any such additional fees shall be approved by a majority of the Independent Directors of the Company. The Advisor may subcontract to affiliated and unaffiliated entities, firms and organizations for those services necessary to accomplish the duties specified above; provided, however, any agreement with an affiliated entity performing services for a separate fee shall be approved by a majority of the Independent Directors.

Nothing herein contained shall prevent the Advisor from engaging in other activities, including without limitation, the rendering of advisory to other investors and the management of other investments, including investors and investments advised, sponsored, or organized by the Advisor, nor shall this Agreement limit or restrict the right of any director, officer, employee, affiliate or shareholder of the Advisor to engage in any other business or to render services of any kind to any other partnership, corporation, firm, individual, trust or association.

4. COMPANY EXPENSES:

The Company shall bear the cost of the following expenditures:

(1) Audit, legal, appraisal and other professional services provided by third parties to the extent such services are not considered duties of the Advisor;

(2) Supplies, printing, postage and related expenses incurred in the preparation, filing and mailing of regulatory reports and reports to shareholders and Directors of the Company;

(3) Fees and other compensation of Directors and officers of the Company;

(4) Expenses of meetings and travel of Directors and officers of the Company; and

(5) All such other expenses related to Company activities considered to be appropriate or advisable by the Directors.

5. COMPENSATION OF THE ADVISOR:

A. Subject to the provisions of paragraph 5B hereof, for the services provided hereunder, the Advisor shall be paid the following fees:

(1) An administrative and advisory fee, payable monthly, equal to 1/12 of 3/4 of 1% of the Estimated Current Value (as hereinafter defined) of the real estate assets of the Company, plus 1/12 of 1/4 of 1% of the Estimated Current Value of all other assets of the Company. The monthly base fee shall be based on the daily average of the Estimated Current Value of the assets during the month for which the fee is payable and shall be payable in arrears on the last day of each month. The base fee for any partial month at the beginning or end of the term of this Agreement shall be prorated.

(2) An acquisition fee equal to 5% of the gross purchase price (before expenses of purchase, including the acquisition fee, but without deducting any indebtedness against the property) for any real property acquired by the Company during the term of this Agreement, such fee to be paid at the closing of the acquisition; provided, however, that the total of all Acquisition Fees (as hereinafter defined) and Acquisition Expenses (as hereinafter defined) paid in connection with the purchase of any real property by the Company shall be reasonable and in no event exceed an amount equal to 6% of the Contract Price for the Property (as hereinafter defined).

(3) A subordinated disposition fee equal to 3% of the gross sales price (before expenses of sale, including the subordinated disposition fee, but without deducting any indebtedness against the property) of any real property sold by the Company during the term of this Agreement, limited to the amount by which the sales price, less all expenses of sale other than the subordinated disposition fee, exceeds the original purchase price of the property, including the acquisition fee and all expenses of purchase; provided, however, no subordinated disposition fee shall be payable unless and until cumulative cash distributions have been made to shareholders representing the "Amount Available for Investment" (as hereinafter defined), plus an annual 10% cumulative (but not compounded) return on the Amount Available for Investment commencing with the date hereof. The subordinated disposition fee shall be paid at the closing of any sale, provided, however, the Advisor may only receive up to one-half of the brokerage commission paid but in no event to exceed 3% of the Contract Price for the Property and such fee when added to the sums paid to unaffiliated third parties in a similar capacity shall not exceed the lesser of the Competitive

Real Estate Commission (as hereinafter defined) or an amount equal to 6% of the Contract Price for the Property. If this Agreement is terminated before the Company is completely liquidated, the subordinated disposition fee will continue to be payable in an amount computed as follows: the subordinated disposition fee as provided above multiplied by a fraction, the numerator of which is the number of years that this Agreement was operative and the denominator of which is the number of years from the date this Agreement became operative to the date the fee becomes payable.

B. Notwithstanding anything in this Agreement to the contrary, in the event Total Operating Expenses (as defined in the Articles of Incorporation of the Company) exceed the limitations contained in Section 7.2 of the Articles of Incorporation of the Company, the Advisor shall reimburse the Company at or within a reasonable time after the end of the applicable twelve (12) month period, the amount by which Total Operating Expenses paid or incurred by the Company exceed such limitations. The compensation of the Advisor shall be audited by the Company's independent certified public accountant in connection with the annual audit of the Company's financial statements after the end of each year and any necessary adjustments by the parties made between the compensation so computed and that already paid.

C. For purposes of this paragraph 5, the following definitions shall apply:

(1) "Estimated Current Value" of real estate assets shall mean the fair market value of such real estate as determined by yearly appraisals certified by independent appraisers. Until the first appraisals are made (as the end of the first fiscal year of the Company), the Estimated Current Value shall equal the cost of the Company's properties, including the acquisition fees and acquisition expenses. The Estimated Current Value of the assets of the Company other than real estate shall be their fair market value as determined by industry standards.

(2) "Acquisition Expenses" means expenses, including, but not limited to, legal fees and expenses, travel and communications expenses, costs of appraisals, non-refundable option payments on property not acquired, accounting fees and expenses, title insurance, and miscellaneous expenses related to selection and acquisition of properties, whether or not acquired.

(3) "Acquisition Fee" means the total of all fees and commissions paid by any party in connection with the making or investing in mortgage loans or the purchase or development of property by the Company, except a development fee paid to a person not affiliated with the Sponsor (as hereinafter defined) in connection with the actual development of a project after acquisition of the land by the Company. Included in the computation of such fees or commissions are any real estate commission, selection fee, development fee, nonrecurring management fee, or any fee of a similar nature, however designated.

(4) "Contract Price for the Property" means the amount actually paid or allocated to the purchase, development, construction or improvement of a property exclusive of Acquisition Fees and Acquisition Expenses.

(5) "Competitive Real Estate Commission" means that real estate or brokerage commission paid for the purchase or sale of a property which is reasonable, customary and competitive in light of the size, type and location of such property.

(6) "Sponsor" means any person directly or indirectly instrumental in organizing, wholly or in part, the Company or any person who will manage or participate in the management of the Company and any affiliate of any such person but would not include a person whose only relationship with the Company is as that of an independent property manager, whose only compensation is as such. Sponsor also does not include wholly independent third parties such as attorneys, accountants and underwriters whose only compensation is for professional services.

6. AMENDMENTS:

This Agreement may be amended only in writing with the mutual consent of the parties. However, no amendment shall become effective unless it specifically refers to this Agreement and is signed by the parties.

7. LIABILITY OF THE ADVISOR:

The Advisor shall provide the Company the benefit of its best judgment and efforts in rendering services hereunder and shall be considered in a

fiduciary relationship with the Company. The Advisor and its officers, directors, shareholders, affiliates, agents and employees shall not be liable to the Company or to any other person for any act or omission except for any act or omission resulting from willful misfeasance, gross negligence or reckless disregard of duty or not having acted in good faith in the reasonable belief that the act or omission was in the best interests of the Company. The Company shall defend, indemnify and save harmless the Advisor and its officers, directors, shareholders, affiliates, agents and employees from and against any and all liabilities, claims, damages, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by reason of or arising out of the performance or nonperformance of their duties under or by reason of this Agreement; provided, however, there shall be no such indemnification for liabilities, claims, damages, costs or expenses incurred by any such person or entity by reason of their willful misfeasance, gross negligence, reckless disregard of duty or bad faith. Notwithstanding the foregoing provisions of this paragraph 7, the Advisor may only be indemnified by the Company for losses arising from the operation of the Company if all of the following conditions are met:

(a) The Advisor has determined, in good faith, that the course of conduct which caused the loss or liability was in the best interests of the Company, and

(b) Such liability or loss was not the result of negligence or misconduct by the Advisor, and

(c) Such indemnification or agreement to hold harmless is recoverable only out of the assets of the Company and not from the shareholders of the Company, and

(d) Indemnification will not be allowed for any liability imposed by judgment, and costs associated therewith, including attorneys' fees, arising from or out of a violation of state or federal securities laws associated with the offer and sale of shares of the Company, and

(e) Indemnification will be allowed for settlements and related expenses of lawsuits alleging securities law violations, and for expenses incurred in successfully defending such lawsuits, provided that a court either (1) approves the settlement and finds that indemnification of the settlement and related costs should be made, or (2) approves indemnification of litigation costs if a successful defense is made.

The provisions of this paragraph 7 shall survive the termination of this Agreement.

8. STATUS OF THE COMPANY:

In the event the terms of this Agreement at any time shall, in the opinion of counsel for the Company, impair the status of the Company as a "real estate investment trust" within the meaning of Part II, subchapter M of the Internal Revenue Code of 1954, as amended, the parties shall, within 30 days after the Company shall have given to the Advisor written notice of such impairment, negotiate such amendments as may be necessary to restore, in the opinion of counsel for the Company, such status of the Company.

9. DEFAULT:

If either party shall default under this Agreement, the other party shall be reimbursed by the defaulting party for all costs and expenses incurred in the enforcement of the provisions of this Agreement, including reasonable attorney's fees.

10. NOTICE:

Whenever, under the terms of this Agreement, any notice is required or permitted to be served upon the other party, said notice may be served upon the other party by personal service or certified mail. Any such notice shall be deemed given when personally received by the party to whom the notice is directed; provided, however, in the event notice is mailed, such notice shall be deemed given when deposited in the United States Mail with postage prepaid. Notices shall be in writing and until further notification in writing, shall be delivered to the following addresses:

To the Company:

Cedar Income Fund, Ltd.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue
Port Washington, NY 11050

To the Advisor:

Cedar Bay Realty Advisors, Inc.
SKR Management Corp.
44 South Bayles Avenue
Port Washington, NY 11050

11. CUMULATIVE RIGHTS:

The various rights and remedies of the Company and the Advisor provided in this Agreement shall be construed as cumulative and no one of them is exclusive of the other or exclusive of any rights or remedies allowed the Company or the Advisor by law.

12. CONSENT:

Neither the Company nor the Advisor shall unreasonably withhold its consent whenever such consent shall be required under the terms of this Agreement.

13. PARAGRAPH HEADINGS:

The paragraph headings contained herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement or in any way affect the terms and provisions hereof.

14. RULES OF CONSTRUCTION:

Words and phrases herein shall be construed as in the singular or plural number and as masculine, feminine or neuter gender according to the context.

15. SUCCESSORS AND ASSIGNS:

The provisions of this agreement shall be binding upon and inure to the benefit of the immediate parties hereto and their respective legal representatives, successors and assigns. Neither party may assign this Agreement without the prior written consent of the other party.

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

CEDAR INCOME FUND, LTD.	CEDAR BAY REALTY ADVISORS, INC.
By /s/ Brenda J. Walker	By /s/ Brenda J. Walker
Title: Vice President	Title: Vice President

EXHIBIT 10.2 MANAGEMENT AGREEMENT

MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into as of this 2nd day of April, 1998, by and between CEDAR INCOME FUND, LTD., an Iowa corporation, (hereinafter referred to as "OWNER") and BRENTWAY MANAGEMENT LLC, with its principal place of business at 44 South Bayles Avenue, Port Washington, NY 11050 (hereinafter referred to as "MANAGER"). In consideration of the mutual covenants, promises and agreements herein contained, OWNER and MANAGER do hereby covenant, promise and agree to and with each other as follows:

W I T N E S S E T H:

1. PARTIES AND INTEREST: OWNER is or will be the owner of certain real property which may be located the continental United States and will continue to acquire additional property during the term of this Agreement. MANAGER has the experience and staff necessary and suitable for the management and operation of real estate properties in the United States and desires to undertake the management and operation of the real estate properties of OWNER. MANAGER is an independent contractor and OWNER shall have no voice in the selection or discharge of MANAGER'S employees, representatives, or subcontractors, or in their number or in the compensation to be received by them or in the period of hours of their employment, and no control over the specific manner in which the work shall be done, but MANAGER shall be responsible for the quality of work done and of the materials furnished, and warrants that they shall conform to the terms of this Agreement. OWNER and MANAGER are not, and shall not be deemed to be, partners or joint venturers with each other.

2. TERM: OWNER does hereby designate MANAGER, and MANAGER hereby accepts such designation, as the manager of the real estate interests of OWNER which are from time to time included in a schedule of such properties mutually agreed upon by OWNER and MANAGER (hereinafter referred to collectively as the "Premises"), for a term of one (1) year commencing on the effective date hereof. Thereafter, this Agreement shall be renewed automatically for one year periods. This Agreement may, however, be terminated by either party at any time, with or without cause, upon not less than sixty (60) days prior written notice given by the OWNER by a majority of the Independent Directors (as defined in the Articles of Incorporation of OWNER) or by MANAGER by its duly authorized representatives, to the other party of its intention to so terminate. In the event of termination of this Agreement, neither party shall have any further rights, obligations or liabilities under this Agreement except those which are accrued through the effective date of such termination; provided, however, MANAGER shall cooperate with OWNER and take all reasonable steps requested to assist OWNER in making an orderly transition of the property management function. OWNER AND MANAGER agree, upon request of either party at any time during the term of this Agreement, to acknowledge a schedule of properties covered hereby, including the legal

descriptions thereof. Nothing herein contained shall prevent the MANAGER from engaging in other activities, including without limitation, the management of other properties; nor shall this Agreement limit or restrict the right of any director, officer, employee, affiliate or shareholder of the MANAGER to engage in any other business or to render services of any kind to any other partnership, corporation, firm, individual, trust or association.

3. SERVICES OF MANAGER: Subject to such express restrictions or limitations on its authority and to such written instructions as may from time to time be imposed or given by the OWNER, MANAGER shall, on behalf of and for the account of the OWNER:

A. LEASING: Use its best efforts to lease and keep leased to desirable tenants all space held for lease at no less than the prevailing rental rates for similar properties in the community in which the property is located and calculated to provide a reasonable return an investment to OWNER, unless otherwise approved in writing by OWNER. MANAGER shall lease the Premises with each lease identifying the OWNER (or the trade name of the Premises) as the titleholder of the Premises and owner of the lease. No lease shall be for a term of sixty (60) months or longer, including options, if any. In the event that a lease contract contemplated to be entered into by MANAGER in the name of OWNER is not within the limitations set forth in this sub-paragraph 3A, such lease contract shall first be subject to the written approval of OWNER, which approval shall not be unreasonably withheld. MANAGER shall advise OWNER personally or by certified mail of any such proposed lease or amendment

thereto. If OWNER fails to advise MANAGER within four (4) days after receipt of such notice, it shall be presumed that OWNER granted OWNER'S written approval thereto and, accordingly, MANAGER shall be authorized to execute such lease contract in the name of OWNER without being in violation of MANAGER'S duties hereunder. All leases of the Premises shall remain the property of OWNER and copies shall be promptly provided to OWNER. MANAGER shall have the right, without prior consent, at OWNER'S expense, to repair, alter, modify and improve (as distinguished from expand) the existing structures, in connection with any such lease; prior approval, however, of OWNER to be secured by MANAGER on all such matters involving costs in excess of Twenty Thousand Dollars ($20,000) for any one item. MANAGER may collect from lessees, security deposits as security for the performance under the leases, the amount of such security deposits to be for such sum as is customary in the locality of said real estate. Failure by MANAGER to obtain any security deposit shall not constitute any nature of default by MANAGER hereunder. The security deposits, as collected, shall be paid over each month to the OWNER following the month of collection by MANAGER. Without the specific prior written approval of OWNER, no lease with respect to the Premises shall provide for rents the determination of which depends in whole or in part on the net income or net profits

derived by any person from such property and no tenant shall be permitted to sublease any property wherein the determination of rent depends in whole or in part on the net income or net profits derived by any person from such property; provided, however, leases and subleases may, except as otherwise directed by OWNER or as otherwise provided in this Agreement, provide for rental payments based upon a fixed percentage or percentages of receipts or sales.

B. BOOKS AND RECORDS: The term "Agreement Year" as used herein shall mean the calendar year ending December 31st of each year. The first Agreement Year shall be the period beginning on the date hereof and ending December 31, 1998, and the last Agreement Year shall be the period beginning January 1st of the last year of the term of this Agreement and ending with the last day of the term of this Agreement.

MANAGER shall maintain in manner and form consistent with generally accepted methods of accounting at its office, during each Agreement Year and retain such for a period of three (3) consecutive years thereafter, complete and accurate general books of account, which will reflect all receipts derived from the operation of the Premises by MANAGER during such Agreement Year, including but not limited to, original invoices, sales and other records provided by lessees, sales and occupation tax returns, if any, relating to MANAGER'S operation of the Premises, and all other original records pertaining to the business of operating the Premises and other pertinent papers and documents which will enable the OWNER to determine the gross receipts derived by the MANAGER from the Premises. All of the aforementioned records shall be open to the inspection and audit by the OWNER or its agents at all reasonable times during ordinary business hours. On termination of this Agreement, all records shall be delivered to the OWNER at the Premises. OWNER and MANAGER recognize that OWNER, itself, may have records pertaining to the Premises as to which MANAGER does not have actual knowledge, and nothing in this paragraph shall be interpreted to impose any duty on MANAGER with respect to such records or any other records of a type which would not be kept by a reasonably prudent property manager. MANAGER shall establish a bank account into which receipts relating to the Premises of the OWNER transmitted to MANAGER or collected by MANAGER shall be deposited. From the funds in such bank account, MANAGER shall pay the following types of expenses associated with operation of the Premises (it being understood that nothing herein shall be interpreted to impose on MANAGER liability for the payment of any of such expenses from MANAGER'S own funds): on-site salary expenses of every kind and nature, utility charges, custodial service, management fees hereunder to MANAGER and all other recurring-type charges relating to the operation of the Premises (all of the aforesaid being herein

sometimes referred to as "Premises Operating Expenses"). MANAGER shall submit to OWNER on or before the tenth (10th) day of each month during the term hereof (including the tenth (10th) day of

the month following the end of the term) at the place then fixed for the payments hereunder, a check in a sum equal to all funds, if any, in the bank account for the Premises except a nominal sum to pay obligations due prior to receipt of additional rentals, and a written statement, certified by MANAGER to be true and correct to the best of his knowledge and belief, showing in reasonably accurate detail, the amount of aforesaid receipts and the amount of Premises Operating Expenses disbursed from such bank account and the resulting difference for the preceding month. MANAGER shall submit to the OWNER on or before the thirtieth (30th) day following the end of each Agreement Year, at all places then fixed for payments, a complete statement of the aforesaid annual figures for the preceding Agreement Year in reasonable detail certified by MANAGER. Relative to the authority of MANAGER to pay from the bank account Premises Operation Expenses (as hereinabove referred to), such authority of MANAGER shall be limited as stated in subparagraph 3D hereof.

C. MAINTENANCE:

MANAGER shall use its best efforts, at OWNER'S expense (but subject to the limitations hereinafter set forth), at all times during the term of this Agreement, to keep the Premises, both exterior and interior, structural and otherwise, in good repair, subject to ordinary wear and tear or casualty occurring without the fault of MANAGER, and make all repairs and replacements, both exterior and interior, structural and otherwise; and MANAGER shall use its best efforts, at OWNER'S expense (subject however, to the limitations hereinafter set forth) to satisfy each and every obligation, duty or payment required of the lessor on the leases or any substitute leases entered into during the term of this Agreement except in the event of a default by the tenant under any such lease. MANAGER shall also use its best efforts, at OWNER'S expense (subject, however, to the limitations hereinafter set forth), to keep the Premises in a clean condition, and not permit or allow any refuse or debris to accumulate thereon, or upon the sidewalks, alleys or streets adjoining the same, and remove any obstruction from the sidewalks adjoining the Premises. MANAGER shall exercise reasonable efforts to see that no article deemed extra-hazardous on account of fire or other dangerous properties, nor any explosive, shall be brought on or into the Premises, except that this provision shall not apply to articles usually held for storage in substantially similar building.

D. AUTHORITY:

All of the duties of MANAGER pursuant to this Agreement shall be fulfilled at OWNER'S expense and the funds of OWNER shall be utilized by MANAGER for the purpose of fulfilling such responsibilities subject, however, to the following limitations:

(i) MANAGER is authorized to enter into any agreement, verbal or written, for performance of its responsibilities if the consideration payable by OWNER pursuant to such agreement is Twenty Thousand One Hundred and 00/100 Dollars ($20,100.00) or less; however, MANAGER may enter into such agreements where the consideration payable pursuant thereto is more than Twenty Thousand and 00/100 Dollars ($20,000.00), if in MANAGER'S opinion such repairs are emergency repairs necessary to protect the Premises, fulfill obligations to OWNER under leases or rental agreements or prevent bodily injury.

(ii) If any written contract for the performance of such responsibility is in the name of OWNER (other than any lease authorized herein to be executed by MANAGER on behalf of OWNER), then irrespective of the amount payable pursuant thereto, only an authorized agent of OWNER shall be authorized to execute any such contract (and for these purposes MANAGER shall not be deemed to be an authorized agent of OWNER).

(iii) If any contract for performance of the aforesaid duties is not cancellable by MANAGER on sixty (60) days' notice or less, then MANAGER shall not enter into such contract without the prior written approval of OWNER, notwithstanding that the consideration payable thereunder may be Twenty Thousand Dollars ($20,000.00) or less. The preceding provisions do not relate to the contractual authority of MANAGER as to signing leases of building space in the Premises.

(iv) If any contract for performance of the aforesaid duties is cancellable by MANAGER on sixty (60) days' notice or less, then MANAGER may enter into such contract without the prior written approval of Owner, subject, however, to the limitations contained in subparagraph 3(D) (i).

E. EMPLOYEES: MANAGER shall engage and discharge such employees as it deems necessary for the operation and maintenance of the Premises. Such employees shall be deemed employees of the MANAGER, or such local agent or agents as may be retained by the MANAGER and not in the employ of the OWNER. The MANAGER at its expense shall retain adequate fidelity insurance on those of its employees who handle funds or assets of the OWNER. The OWNER shall reimburse MANAGER for all salary expenses, benefits and moving and traveling expenses, except for those personnel of MANAGER performing property management functions operating out of the home office of the MANAGER.

F. WORKER'S COMPENSATION: MANAGER agrees to provide and OWNER agrees to reimburse MANAGER for all premiums, contributions and taxes for Worker's Compensation insurance, unemployment insurance, and for old age pensions, annuities and retirement benefits, now or hereafter imposed by or pursuant to federal or state laws, which are measured by the wages, salaries or other remuneration paid to persons employed by MANAGER in connection with the performance of the Management Agreement except as it relates to personnel of MANAGER performing property management functions operating out of the home office of MANAGER. MANAGER agrees to carry Worker's Compensation insurance and Employer's Liability insurance in accordance with the laws of the states in which the OWNER owns real estate to be at all times in force and OWNER agrees to reimburse MANAGER for the cost thereof.

G. CODE REQUIREMENTS: MANAGER, at OWNER'S expense, shall use its best efforts to comply in all material respects with all building codes, zoning and licensing requirements, and other requirements of the duly constituted federal, state and local governmental authorities with respect to the Premises. MANAGER may, in its discretion, appeal from any requirement it deems unwarranted and it may compromise or settle any dispute regarding such requirements.

H. REAL ESTATE EXPERTS. MANAGER may enlist the services of other real estate brokers or agents in the performance of its duties hereunder to the extent deemed necessary or appropriate. The expense of the services will be paid by the OWNER.

I. RENT COLLECTION: MANAGER will use its best efforts to collect rent and other income from the real estate interests of the OWNER. MANAGER may in its discretion compromise claims for such rent and other income and, at the expense of the OWNER, institute legal proceedings in its own name or in the name of the OWNER to collect the same, to oust or dispossess tenants or others occupying such real estate interests, and otherwise to enforce the rights of the OWNER with respect thereto and in its discretion may compromise or settle such proceedings.

J. INSURANCE: MANAGER, at OWNER'S expense, shall at all times during the term of this Agreement, carry such (i) general liability, accident and property damage insurance, (with OWNER and MANAGER as named insureds), (ii) fire, extended coverage and malicious mischief insurance, (iii) rental insurance and (iv) such other insurance for the protection of OWNER and MANAGER, as shall be directed from time to time by OWNER. All such policies shall be in the name of and made payable to OWNER.

5. COMPENSATION: OWNER hereby agrees to pay the MANAGER a monthly management fee in the amount of five percent (5%) of Gross Income (as hereinafter defined) derived from the operation of the Premises during the preceding month. "Gross Income" shall mean any and all receipts from the Premises Including: rents, percentage rents, overage rents, expense participation rents and all rents or payments from tenants of any nature, income from services rendered to tenants (i.e., maid service, janitorial or cleaning service, telephone answering service, watchman or guard service, trash collection, elevator service and similar services customarily furnished or rendered in connection with the rental of real property), and all income from concessions of any kind, including all coin-operated facilities on the Premises. Also Included in Gross Income shall be any amounts collected in lieu of the

above-enumerated items such as forfeited security deposits and judgments or awards collected in the enforcement of any lease or rental agreement.

6. LEASING COMMISSIONS: OWNER shall also pay MANAGER a leasing fee in conjunction with leases of space in OWNER'S commercial (as opposed to residential) properties which are procured by MANAGER. The leasing fee shall be at the prevailing rate for similar services performed by independent qualified persons regularly performing such services in the community in which the property is located; provided, however, in no event shall such leasing fee exceed six percent (6%) of the rent to be paid during the term (including any renewals) of the lease procured. The amount and timing of payment of such leasing fees shall be agreed to by OWNER and MANAGER prior to execution of the lease with respect to which the leasing fee is payable. MANAGER may divide its leasing fee with outside leasing agents or other third parties. Any division of the leasing fee payable pursuant to this Agreement shall be disclosed to OWNER at the time the fee is negotiated.

7. STATUS OF OWNER: In the event the terms of this Agreement at any time shall, in the opinion of the counsel for the OWNER, impair the status of the OWNER as a "real estate investment trust" within the meaning of Part II, subchapter M of the Internal Revenue Code of 1954, as amended, OWNER and MANAGER shall, within 30 days after the OWNER shall have given to the MANAGER written notice of such impairment, negotiate such amendments as may be necessary to restore, In the opinion of counsel for the OWNER, such status of the OWNER.

8. CONFORMITY WITH LAW: MANAGER covenants, with respect to the Premises, and the fixtures and appurtenances thereto, that at OWNER'S expense (subject to the limitations on MANAGER'S contractual authority as herein set forth), MANAGER shall use due diligence to cause them to conform in all material respects to applicable requirements of law or duly constituted authority, and to the applicable requirements of all carriers of insurance on the Premises, and Board of Underwriters, Rating Bureau, or similar organizations including, but not limited to, requirements pertaining to the health, welfare, or safety of employees or the public, such as adequate toilet facilities, fire exits, exit signs, safe electric wiring and elevators. MANAGER shall, at OWNER'S cost and

expense (but subject to the herein set forth limitations on MANAGER'S contractual authority), use its best efforts to make such improvements or installations as may be necessary to satisfy this requirement and shall, at all times during the term, promptly comply in all material respects with such requirements whether now or hereafter in effect and whether now or hereafter applicable for any reason whatsoever. Manager shall use due diligence to prevent the Premises from being used for any unlawful purpose.

9. INSURANCE CLAIMS: MANAGER shall settle and adjust any claims against any insurance company under the fire or extended coverage policies of insurance as described in paragraph 3J hereof, but before making final settlement of any claim over Fifty Thousand Dollars ($50,000.00), the written approval of OWNER shall be obtained.

10. SUBORDINATION: OWNER and MANAGER agree that this Agreement is and shall be subordinated to any mortgages or trust deeds held by or for any bank, insurance company, seller or accredited lending institution that may be now on or hereafter placed upon the Premises, and to any and all advances to be made thereunder, and to the interests thereon and all renewals, replacements and extensions thereof.

11. CONDEMNATION: In the event of any condemnation or taking of all or any part of the Premises, all damages shall be the exclusive property of OWNER; provided, however, MANAGER shall be entitled to any proceeds recovered by MANAGER in its own right on account of any damage to MANAGER'S business by reason of such condemnation.

12. DEFAULT: If either party shall default under this Agreement, the successful party shall be reimbursed by the other for all costs and expenses incurred in the enforcement of any of the provisions of this Agreement, including reasonable attorney's fees.

13. LIABILITY OF MANAGER: MANAGER and its officers, directors, shareholders, affiliates, agents and employees shall not be liable to OWNER or to any other person for any act or omission in the course of performance of their duties hereunder except for their willful misfeasance, gross negligence or reckless disregard of duty or their not having acted in good faith in the reasonable belief that their action was in the best interests of OWNER. The OWNER shall defend, indemnify and save harmless MANAGER and its officers, directors, shareholders, affiliates, agents and employees from and against any and all liabilities, claims, damages, costs and expenses (including reasonable attorneys fees and amounts reasonably paid in settlement) incurred by reason of or arising out of the performance or nonperformance of their duties under or by reason of this Agreement; provided, however, there shall be no such indemnification for liabilities, claims, damages, costs or expenses incurred by

any such person or entity by reason of their willful misfeasance, gross negligence, reckless disregard of duty or bad faith in the conduct of their duties under or by reason of this Agreement. This paragraph 13 shall survive the termination of this Agreement.

14. NOTICE: Whenever, under the terms of this Agreement, any notice is required or permitted to be served upon the other party, said notice shall be served upon the other party by personal service or by certified mail.

Any such notice shall be deemed given when personally received by the party to whom the notice is directed; provided, however, in the event notice is mailed, such notice shall be deemed given when deposited in the United States Mail with postage prepaid. Notices to each party shall be until further notification in writing, shall be delivered to the following addresses:

To OWNER:

Cedar Income Fund, Ltd.
c/o Cedar Bay Realty Advisors, Inc.
44 South Bayles Avenue
Port Washington, NY 11050

To MANAGER:

Brentway Management LLC
44 South Bayles Avenue
Port Washington, NY 11050

15. CUMULATIVE RIGHTS: The various rights and remedies of OWNER and MANAGER provided in this Agreement shall be construed as cumulative and no one of them is exclusive of the others or exclusive of any rights or remedies allowed OWNER or MANAGER by law.

16. CONSENT: Neither OWNER nor MANAGER shall unreasonably withhold its consent whenever such consent shall be required under the terms of this Agreement.

17. PARAGRAPH HEADINGS: The paragraph headings contained herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement or in any way affect the terms and provisions hereof.

18. RULES OF CONSTRUCTION: Words and phrases herein shall be construed as in the singular or plural number and as masculine, feminine or neuter gender according to the context.

19. AMENDMENTS: This Agreement may be amended only by the mutual consent of the parties. However, no such amendment shall become effective unless it be reduced to an instrument in writing specifically referring to this Agreement and signed by both parties.

20. SUCCESSORS AND ASSIGNS: The provisions of this Agreement shall be binding upon and inure to the benefit of the immediate parties hereto and their respective legal representatives, successors and assigns. Neither party may assign this Agreement without the prior written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

OWNER	MANAGER
CEDAR INCOME FUND, LTD.	BRENTWAY MANAGEMENT LLC
BY /s/ Brenda J. Walker	BY /s/ Brenda J. Walker
- ----------	----------
TITLE: Vice President	TITLE: President

EXHIBIT 10.3 FINANCIAL ADVISORY AGREEMENT

FINANCIAL ADVISORY AGREEMENT

AGREEMENT made as of June 1, 1998 by and between Cedar Income Fund, Ltd. (the "Company"), a real estate investment trust organized under the laws of the State of Iowa, with offices at 44 South Bayles Avenue, Port Washington, New York and B.V. Capital Markets Inc. ("B.V.C."), a New York corporation, an affiliate of Bayerische Vereinsbank AG, a German banking institution, with offices at 150 East 42nd Street, New York, New York.

WHEREAS the Company wishes to avail itself of the experience, sources of information, advice, and assistance of B.V.C. and to have B.V.C. perform certain services on behalf of, and subject to the supervision of, the board of directors of the Company (the "Board"), as provided herein;

WHEREAS B.V.C. is willing to undertake to render such services, subject to the approval of the Board, on the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, it is agreed as follows:

1. SERVICES OF FINANCIAL ADVISOR. Subject to acceptance of this Agreement by the Company, B.V.C., under the direction and supervision of, and subject to the approval of, the Board, shall serve as the Company's financial advisor and consultant in connection with financial policy decisions to be made by the Company. In this regard, B.V.C. shall:

- - advise on acquisition financing and/or a line of credit for future acquisitions by the Company;

- - advise on contributions, sales, assignments or other transfers to or for the benefit of the Company by U.S. and foreign clients or contacts of B.V.C. of U.S. real property interests appropriate to or consistent with the desired investment parameters of the Company in exchange for cash, shares of the Company interests in an Upreit partnership of which the Company is general partner and/or other consideration;

- - advise on a private placement of Company shares;

- - assist the Board in developing suitable investment parameters for the Company;

- - develop and maintain contacts on behalf of the Company with U.S. and foreign commercial and investment banking firms, non-bank financial institutions, and others with substantial interests in real estate and capital securities markets, other REITS, and national and regional associations of such persons and entities;

- - advise the Board as to issues relevant to additional private placements or public issues of shares and various alternate debt financing opportunities;

- - review certain financial policy matters with consultants, accountants, lenders, attorneys, and persons acting in any other capacity deemed by the Board to be necessary or desirable; and

- - prepare periodic (generally quarterly) reports of its performance of the foregoing services to the Company.

Notwithstanding any other provision in this agreement to the contrary, B.V.C. shall not furnish or render services to tenants of the Company's properties, or manage or operate property of the Company, or do any other act which would adversely affect the status of the Company as a real estate investment trust as defined and limited in Section 856 et. seq. of the Internal Revenue Code of 1986, as amended, or Regulations promulgated thereunder. The Board does not have any obligation to accept or approve any proposal made by B.V.C.

It is specifically contemplated that Roland Palm would continue to serve as a consultant or employee to B.V.C. in performing its services hereunder and that Mr. Palm would be compensated by B.V.C. for his services in helping B.V.C.

discharge its duties hereunder.

2. FURNISHING INFORMATION TO ADVISOR. Subject to the acceptance of this Agreement by the Company, the Company shall at all times keep B.V.C. fully informed with regard to the investments which it owns, its funds available or to become available for investment, and generally as to the condition of its affairs. In particular, the Company shall notify B.V.C. promptly of any proposal or offer for sale or other disposition of any of the Company's investments, or for any new investment. B.V.C. shall enter into such confidentiality and non-competition agreements with respect to such disclosed information as counsel for the Company may reasonably require. 3. RECOMMENDATION BY ADVISOR. Subject to acceptance of this Agreement by the Company, B.V.C. shall consult with the Board and the officers of the Company and furnish them with advice and recommendations with respect to the acquisition, by purchase, exchange, or otherwise, the holding and the disposal, through sale, exchange, or otherwise, of investments of, or investments considered by, the Company. B.V.C. shall at the request of the Board or the officers of the Company furnish advice and recommendations with

respect to other aspects of the business and affairs of the Company. In the absence of a director designated by B.V.C., and unless otherwise notified by the Board, a duly authorized representative of B.V.C., may attend all regular and special meetings of the Board. The Company shall notify B.V.C. of all such meetings.

4. BOOKS. B.V.C. shall maintain appropriate records of all its activities hereunder.

5. POSITION OF DIRECTORS AND RELATIONSHIP WITH THE COMPANY. Officers and employees of B.V.C. may serve as Directors and as officers of the Company. Subject to approval by the Bayerische Vereinsbank AG of his election as Director of the Company, Cedar Bay Company will cause its shares to be voted in favor of Jean-Bernard Wurm as director of the Company.

6. COMPENSATION. (a) For services rendered by it, B.V.C. shall be entitled to the following compensation commencing as of the date hereof, as determined by, and subject to the approval of the Board:

(i) 0.25% (25 basis points) of the Fund's net asset value ("Net Asset Value") as defined in the Agreement of Limited Partnership of Cedar Income Fund Partnership, L.P. (the "Upreit") less any indebtedness of the Company, affecting the net value of the Company's assets, the Upreit or the properties, but in any event no less than $100,000 per annum, payable in equal quarterly installments on the last business day of each calendar quarter;

(ii) A one-time payment of 1.5% (150 basis points) of the "Agreed Value", as defined in the Agreement of Limited Partnership of Cedar Income Partnership, L.P. of properties contributed to the Company or its affiliates, including the "Upreit" partnership(s) by entities or persons introduced by B.V.C. to the Company. The fee shall be payable only after the property has been contributed to the Company;

(iii) As soon as the Company becomes self administered, B.V.C. shall have the option, in its sole discretion to convert its claim to received its financial advisory fees payable under (ii) above into an ownership interest in the company or cash, equal to 5x those fees.

(b) B.V.C. shall promptly furnish to the Company a statement for any fees payable hereunder for each quarter annual period during which B.V.C. performed services hereunder. Such statement shall include the calculation by which such fee was determined.

(c) In the absence of a bona fide dispute between the parties as to such payment, the Company shall pay to B.V.C. the amount payable pursuant to any such statement not later than the 20th day of the month following the quarter during which the services for the payment of which the fee is payable were rendered.

(d) If the Company shall request B.V.C., or any director, officer, or employee thereof, to render services for the Company other than those to be rendered by B.V.C. hereunder, such additional services shall be compensated separately on terms to be agreed upon between B.V.C. and the Company from time to time.

7. RESPONSIBILITY OF ADVISOR. B.V.C. assumes no responsibility hereunder other than to render the services required hereunder in good faith and shall not be responsible for any action of the Board or officers of the Company

in following or declining to follow any advice or recommendations of B.V.C.. B.V.C., its officers, and employees shall not be liable to the Company, the Company's shareholders, or others except for acts constituting bad faith, willful misfeasance, gross negligence, or reckless disregard of its or his duties. The Company and B.V.C. are not partners or joint venturers, and nothing herein shall be construed so as to make them partners or joint venturers or impose any liability as such on either of them. B.V.C. agrees to devote appropriate time and personnel to performing its obligations under this Agreement.

8. FREEDOM OF OFFICERS OF ADVISOR. Nothing herein shall limit or restrict the right of any director, officer, or employee of B.V.C. who may also be a Director, officer, or employee of the Company to engage in any other business or to render services of any kind to any other corporation, firm, individual, or association, except that such person shall not engage in any activity which shall be competitive with, or otherwise in the reasonable judgment of the Board, be adverse to the interests of the Company.

9. TERM OF CONTRACT. This contract shall be in force for a period of 12 months commencing on the effective date hereof. It shall continue thereafter from year to year unless cancelled by either party at the end of any year, upon 60 days' prior written notice. The Company may cancel this agreement only by affirmative vote of a majority of the independent Directors then in office at a meeting called for such purpose. For purposes of the preceding sentence "independent Trustee" means a Director who is not a director, officer, affiliate or shareholder of B.V.C.

10. NONASSIGNABILITY. This contract shall terminate automatically if B.V.C. shall assign it without the written consent of the Company. The Company shall not assign this contract without B.V.C.'s consent. No consent shall be necessary, however, where the assignment is to a corporation or other organization that is a successor to the Company, in which case the other corporation shall be bound hereunder and by the terms of such assignment in the same manner as is the Company.

11. TERMINATION. This agreement shall terminate immediately upon written notice of termination from the Company to B.V.C. if any of the following events shall happen:

(a) If B.V.C. shall violate any provision of the contract, and after notice of such violation, shall not cure such default within 30 days; or

(b) If, B.V.C. shall be adjudged bankrupt or insolvent by a court of competent jurisdiction, or an order shall be made by a court of competent jurisdiction for the appointment of a receiver, liquidator, or trustee of the Corporation, or of all or substantially all of its property by reason of the foregoing, or approving any petition filed against B.V.C. for its reorganization, and such adjudication or order shall remain in force or unstayed for period of 30 days; or

(c) If B.V.C. shall institute proceedings for voluntary bankruptcy, or shall file a petition seeking reorganization under the federal bankruptcy laws, or for relief under any law for the relief of debtors, or shall consent to the appointment of a receiver of B.V.C. or of all or substantially all of its property, or shall make a general assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts generally as they become due.

If any event specified in subparagraphs (b) and (c) of this paragraph 11 shall occur, B.V.C. shall give written notice thereof to the Company within seven days thereof.

Should Agreement be terminated at the end of year 1, B.V.C. will receive from company a cancelation fee equal to 50% of the advisory fee to which it would have been entitled for the first 32 months but no less than $50,000 if Agreement is terminated by Company and not more than $50,000 if Agreement is terminated by B.V.C.

12. NOTICES. Any notice, report, or other communication required or permitted to be given hereunder shall be in writing and shall, unless some other method of giving such notice, report, or other communication is accepted by the party to whom it is given, be mailed by certified mail to the following addresses parties thereto:

Cedar Bay:
Cedar Bay Company
c/o SKR Management Corp.
44 South Bayles Avenue
Port Washington, NY 11050
Attn.: Leo S. Ullman

The Company:
Cedar Income Fund, Ltd.
c/o SKR Management Corp.
44 South Bayles Avenue
Port Washington, NY 11050
Attn.: Brenda J. Walker

B.V.C.:
B.V. Capital Markets Inc.
150 East 42 Street
New York, NY 10017

Attn.: Mr. Jean-Bernard Wurm
with a copy to Mr. Roland Palm
c/o B.V. Capital Markets Inc.
150 East 42 Street, 39th Floor
New York, NY 10017

Any party may at any time give notice to the other party that it wishes to change its address for the purpose of this paragraph.

14. MODIFICATION. This agreement shall not be changed, modified, terminated, or discharged in whole or in part, except by an instrument signed by both parties hereto, or their respective successors or assigns.

15. BINDING EFFECT. This agreement shall bind all of the parties' successors and all of the Company's assigns.

16. APPLICABLE LAW. The provisions of this agreement shall be construed and interpreted in accordance with the law of the State of New York.

17. EFFECT ON COMPANY. No director, officer, agent, or shareholder of the Company shall be bound or held to any personal liability in connection with the Company's obligations hereunder.

18. HEADINGS FOR REFERENCE ONLY. Headings preceding the text and sections of this agreement have been inserted solely for convenience and reference, and shall not be construed to affect its meaning, construction, or effect.

19. ENTIRE AGREEMENT. This agreement supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.

20. NON-WAIVER. No delay or failure by either party to exercise any right under this agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

21. COUNTERPARTS. This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

22. EFFECTIVE DATE. This Agreement shall only become effective after formal approval by the Board of the Company.

IN WITNESS WHEREOF the parties hereto have caused this contract to be executed by their officers thereunto duly authorized as of the day and year first above written.

B.V. Capital Markets Inc.

By:_____

By: _____

Attest:

BV Capital Markets Inc.

_____
Secretary

By: _____
President

Cedar Income Fund, Ltd.

By: _____

Section 5 is agreed to

Cedar Bay Company

By:_____

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	6-MOS
<FISCAL-YEAR-END>	DEC-31-1998
<PERIOD-END>	JUN-30-1998
<CASH>	932,201
<SECURITIES>	0
<RECEIVABLES>	75,609
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	1,348,694
<PP&E>	18,863,829
<DEPRECIATION>	(4,457,543)
<TOTAL-ASSETS>	15,754,980
<CURRENT-LIABILITIES>	392,743
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	542,111
<OTHER-SE>	3,375,381
<TOTAL-LIABILITY-AND-EQUITY>	15,754,980
<SALES>	0
<TOTAL-REVENUES>	1,314,602
<CGS>	0
<TOTAL-COSTS>	670,075
<OTHER-EXPENSES>	382,721
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	65,396
<INCOME-PRETAX>	196,410
<INCOME-TAX>	0
<INCOME-CONTINUING>	196,410
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	196,410
<EPS-PRIMARY>	.09
<EPS-DILUTED>	.09

</TABLE>