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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2022

OR

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

COMMISSION FILE NUMBER: 001-31817

CEDAR REALTY TRUST, INC.
(Exact name of registrant as specified in its charter)

Maryland **(State or other jurisdiction of incorporation or organization)**	**42-1241468** **(I.R.S. Employer Identification No.)**

928 Carmans Road, Massapequa, New York 11758
(Address of principal executive offices) (Zip Code)

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

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

Title of each class	Name of each exchange on which registered	Trading Symbol(s)
Common Stock, $0.06 par value	New York Stock Exchange	CDR
7-1/4% Series B Cumulative Redeemable Preferred Stock, $25.00 Liquidation Value	New York Stock Exchange	CDRpB
6-1/2% Series C Cumulative Redeemable Preferred Stock, $25.00 Liquidation Value	New York Stock Exchange	CDRpC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	**Accelerated filer**	☒
Non-accelerated filer	☐	**Smaller reporting company**	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

At April 29, 2022, there were 13,640,374 shares of Common Stock, $0.06 par value, outstanding.

CEDAR REALTY TRUST, INC.

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Forward-Looking Statements

Certain statements made in this Current Report on Form 10-Q or incorporated by reference herein are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and, as such, may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cedar Realty Trust, Inc. (the “Company”) to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe the Company’s future plans, strategies and expectations, are generally identifiable by use of the words “may”, “will”, “should”, “estimates”, “projects”, “anticipates”, “believes”, “expects”, “intends”, “future”, and words of similar import, or the negative thereof. Factors that could cause actual results, performance or achievements to differ materially from current expectations include, but are not limited to: (i) the proposed Transactions (as described herein) may not be completed in a timely manner or at all, including the risk that any required approvals, including the approval of the Company’s stockholders, are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the Company or the expected benefits of the proposed Transactions; (ii) the possibility that any or all of the various conditions to the consummation of the Transactions may not be satisfied or waived; (iii) the occurrence of any event, change or other circumstance that could give rise to the termination of one or more of the definitive Transaction agreements, including in circumstances which would require the Company to pay a termination fee or other expenses; (iv) the risk that the pending shareholder litigation in connection with the Transactions, or additional lawsuits that may be filed in the future in connection with the Transactions, may result in significant costs of defense, indemnification and liability; (v) the economic, political and social impact of, and uncertainty relating to, the COVID-19 pandemic, including: (a) the effectiveness or lack of effectiveness of governmental relief in providing assistance to large and small businesses, particularly including our retail tenants and other retailers, that have suffered significant declines in revenues as a result of mandatory business shut-downs, “shelter-in-place” or “stay-at-home” orders and social distancing practices, as well as individuals adversely impacted by the COVID-19 pandemic, (b) the duration of any such orders or other formal recommendations for social distancing and the speed and extent to which revenues of our retail tenants recover following the lifting of any such orders or recommendations, (c) the potential impact of any such events on the obligations of the Company’s tenants to make rent and other payments or honor other commitments under existing leases, (d) the potential adverse impact on returns from redevelopment projects, (e) to the extent we were seeking to sell properties in the near term, significantly greater uncertainty regarding our ability to do so at attractive prices, and (f) the broader impact of the severe economic contraction and increase in unemployment that has occurred in the short term and negative consequences that will occur if these trends are not quickly reversed; (vi) the ability and willingness of the Company’s tenants and other third parties to satisfy their obligations under their respective contractual arrangements with the Company; (vii) the loss or bankruptcy of the Company’s tenants, particularly in light of the adverse impact to the financial health of many retailers that has occurred and continues to occur as a result of the COVID-19 pandemic; (viii) the ability and willingness of the Company’s tenants to renew their leases with the Company upon expiration, the Company’s ability to re-lease its properties on the same or better terms in the event of nonrenewal or in the event the Company exercises its right to replace an existing tenant, and obligations the Company may incur in connection with the replacement of an existing tenant, particularly, in light of the adverse impact to the financial health of many retailers that has occurred and continues to occur as a result of the COVID-19 pandemic, and the significant uncertainty as to when and the conditions under which potential tenants will be able to operate physical retail locations in future; (ix) macroeconomic conditions, such as a disruption of or lack of access to capital markets and the adverse impact of the recent significant decline in the Company’s share price from prices prior to the spread of the COVID-19 pandemic; (x) financing risks, such as the Company’s inability to obtain new financing or refinancing on favorable terms as the result of market volatility or instability; (xi) increases in the Company’s borrowing costs as a result of changes in interest rates and other factors, including the potential phasing out of LIBOR after 2021; (xii) the impact of the Company’s leverage on operating performance; (xiii) risks related to the market for retail space generally, including reductions in consumer spending, variability in retailer demand for leased space, adverse impact of e-commerce, ongoing consolidation in the retail sector and changes in economic conditions and consumer confidence; (xiv) risks endemic to real estate and the real estate industry generally; (xv) competitive risks; (xvi) risks related to the geographic concentration of the Company’s properties in the Washington, D.C. to Boston corridor; (xvii) damage to the Company’s properties from catastrophic weather and other natural events, and the physical effects of climate change; (xviii) the inability of the Company to realize anticipated returns from its redevelopment activities; (xix) uninsured losses; (xx) the Company’s ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax and other considerations; and (xxi) information technology security breaches. For further discussion of factors that could materially affect the outcome of forward-looking statements, see “Risk Factors” in Part I, Item 1A, of the Company’s Annual Report on Form 10-K for the year ended December 31, 2021 and other documents that the Company files with the Securities and Exchange Commission from time to time.

Except for ongoing obligations to disclose material information as required by the federal securities laws, the Company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. All of the above factors are difficult to predict, contain uncertainties that may materially affect the Company’s actual results and may be beyond the Company’s control. New factors emerge from time to time, and it is not possible for the Company’s management to predict all such factors or to assess the effects of each factor on the Company’s business. Accordingly, there can be no assurance that the Company’s current expectations will be realized.

CEDAR REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Real estate:		
Land	$ 259,968,000	$ 259,968,000
Buildings and improvements	1,038,708,000	1,028,556,000
	1,298,676,000	1,288,524,000
Less accumulated depreciation	(417,298,000)	(409,742,000)
Real estate, net	881,378,000	878,782,000
Real estate held for sale	73,702,000	73,251,000
Investment in unconsolidated joint venture	4,809,000	4,654,000
Cash and cash equivalents	2,093,000	3,039,000
Restricted cash	230,000	230,000
Receivables	22,467,000	21,868,000
Other assets and deferred charges, net	37,412,000	35,070,000
TOTAL ASSETS	$ 1,022,091,000	$ 1,016,894,000
LIABILITIES AND EQUITY		
Mortgage loan payable	$ 156,599,000	$ 156,821,000
Finance lease obligation	5,307,000	5,314,000
Unsecured revolving credit facility	70,000,000	66,000,000
Unsecured term loans	298,998,000	298,903,000
Accounts payable and accrued liabilities	40,072,000	42,099,000
Unamortized intangible lease liabilities	7,518,000	7,789,000
Total liabilities	578,494,000	576,926,000
Commitments and contingencies	-	-
Equity:		
Cedar Realty Trust, Inc. shareholders' equity:		
Preferred stock	159,541,000	159,541,000
Common stock ($0.06 par value, 150,000,000 shares authorized, 13,637,000 and 13,658,000 shares, issued and outstanding, respectively)	819,000	820,000
Treasury stock (333,000 and 387,000 shares, respectively, at cost)	(10,807,000)	(13,266,000)
Additional paid-in capital	878,508,000	881,009,000
Cumulative distributions in excess of net income	(587,109,000)	(582,464,000)
Accumulated other comprehensive (loss)	31,000	(8,258,000)
Total Cedar Realty Trust, Inc. shareholders' equity	440,983,000	437,382,000
Noncontrolling interests:		
Limited partners' OP Units	2,614,000	2,586,000
Total noncontrolling interests	2,614,000	2,586,000
Total equity	443,597,000	439,968,000
TOTAL LIABILITIES AND EQUITY	$ 1,022,091,000	$ 1,016,894,000

See accompanying notes to consolidated financial statements

CEDAR REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended March 31,	
	2022	2021
REVENUES		
Rental revenues	$ 30,207,000	$ 33,336,000
Other	257,000	215,000
Total revenues	30,464,000	33,551,000
EXPENSES		
Operating, maintenance and management	7,129,000	7,780,000
Real estate and other property-related taxes	4,498,000	5,120,000
General and administrative	2,972,000	4,528,000
Depreciation and amortization	8,263,000	11,211,000
Total expenses	22,862,000	28,639,000
OTHER		
Gain on sales	-	1,047,000
Transaction costs	(3,735,000)	-
Impairment charges	(707,000)	-
Total other	(4,442,000)	1,047,000
OPERATING INCOME	3,160,000	5,959,000
NON-OPERATING INCOME AND EXPENSES		
Interest expense	(4,237,000)	(4,706,000)
Total non-operating income and expenses	(4,237,000)	(4,706,000)
NET (LOSS) INCOME	(1,077,000)	1,253,000
Net loss (income) attributable to noncontrolling interests:		
Minority interests in consolidated joint ventures	-	(150,000)
Limited partners' interest in Operating Partnership	20,000	9,000
Total net loss (income) attributable to noncontrolling interests	20,000	(141,000)
NET (LOSS) INCOME ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	(1,057,000)	1,112,000
Preferred stock dividends	(2,688,000)	(2,688,000)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (3,745,000)	$ (1,576,000)
NET LOSS PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED):	$ (0.28)	$ (0.12)
Weighted average number of common shares - basic and diluted	13,285,000	13,144,000

See accompanying notes to consolidated financial statements

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

	Three months ended March 31,	
	2022	**2021**
Net (loss) income	$ (1,077,000)	$ 1,253,000
Unrealized gain on change in fair value of cash flow hedges	8,338,000	4,197,000
Comprehensive income	7,261,000	5,450,000
Comprehensive (income) attributable to noncontrolling interests	(29,000)	(167,000)
Comprehensive income attributable to Cedar Realty Trust, Inc.	$ 7,232,000	$ 5,283,000

See accompanying notes to consolidated financial statements

CEDAR REALTY TRUST, INC.
Consolidated Statement of Equity
Three months ended March 31, 2022
(unaudited)

	Cedar Realty Trust, Inc. Shareholders								
	Preferred stock		Common stock		Treasury stock,	Additional paid-in	Cumulative distributions in excess of	Accumulated other comprehensive	
	Shares	Amount	Shares	Amount	at cost	capital	net income	(income) loss	Total
Balance, December 31, 2021	6,450,000	$ 159,541,000	13,658,000	$ 820,000	$ (13,266,000)	$ 881,009,000	$ (582,464,000)	$ (8,258,000)	$ 437,382,000
Net (loss)	—	—	—	—	—	—	(1,057,000)	—	(1,057,000)
Unrealized gain on change in fair value of cash flow hedges	—	—	—	—	—	—	—	8,289,000	8,289,000
Share-based compensation, net	—	—	(21,000)	(1,000)	2,459,000	(2,498,000)	—	—	(40,000)
Common stock sales, net of issuance expenses	—	—	—	—	—	1,000	—	—	1,000
Preferred stock dividends	—	—	—	—	—	—	(2,688,000)	—	(2,688,000)
Distributions to common shareholders/noncontrolling interests	—	—	—	—	—	—	(900,000)	—	(900,000)
Reallocation adjustment of limited partners' interest	—	—	—	—	—	(4,000)	—	—	(4,000)
Balance, March 31, 2022	6,450,000	$ 159,541,000	13,637,000	$ 819,000	$ (10,807,000)	$ 878,508,000	$ (587,109,000)	$ 31,000	$ 440,983,000

	Noncontrolling Interests			
	Minority interest in consolidated joint ventures	Limited partners' interest in Operating Partnership	Total	Total Equity
Balance, December 31, 2021	$ -	$ 2,586,000	$ 2,586,000	$ 439,968,000
Net (loss)	—	(20,000)	(20,000)	(1,077,000)
Unrealized gain on change in fair value of cash flow hedges	—	49,000	49,000	8,338,000
Share-based compensation, net	—	—	—	(40,000)
Common stock sales, net of issuance expenses	—	—	—	1,000
Preferred stock dividends	—	—	—	(2,688,000)
Distributions to common shareholders/noncontrolling interests	—	(5,000)	(5,000)	(905,000)
Reallocation adjustment of limited partners' interest	—	4,000	4,000	—
Balance, March 31, 2022	$ -	$ 2,614,000	$ 2,614,000	$ 443,597,000

See accompanying notes to consolidated financial statements

CEDAR REALTY TRUST, INC.
Consolidated Statement of Equity
Three months ended March 31, 2021
Continued
(unaudited)

	Cedar Realty Trust, Inc. Shareholders								
	Preferred stock		Common stock		Treasury stock,	Additional paid-in	Cumulative distributions in excess of	Accumulated other comprehensive	
	Shares	Amount	Shares	Amount	at cost	capital	net income	income	Total
Balance, December 31, 2020	6,450,000	$ 159,541,000	13,530,000	$ 812,000	$ (15,133,000)	$ 879,790,000	$ (522,696,000)	$ (18,816,000)	$ 483,498,000
Net income (loss)	—	—	—	—	—	—	1,112,000	—	1,112,000
Unrealized gain on change in fair value of cash flow hedges	—	—	—	—	—	—	—	4,171,000	4,171,000
Share-based compensation, net	—	—	99,000	6,000	1,172,000	(397,000)	—	—	781,000
Common stock sales, net of issuance expenses	—	—	—	—	—	1,000	—	—	1,000
Preferred stock dividends	—	—	—	—	—	—	(2,688,000)	—	(2,688,000)
Distributions to common shareholders/noncontrolling interests	—	—	—	—	—	—	(899,000)	—	(899,000)
Reallocation adjustment of limited partners' interest	—	—	—	—	—	19,000	—	—	19,000
Balance, March 31, 2021	6,450,000	$ 159,541,000	13,629,000	$ 818,000	$ (13,961,000)	$ 879,413,000	$ (525,171,000)	$ (14,645,000)	$ 485,995,000

	Noncontrolling Interests			
	Minority interest in consolidated joint ventures	Limited partners' interest in Operating Partnership	Total	Total Equity
Balance, December 31, 2020	$ 1,053,000	$ 2,907,000	$ 3,960,000	$ 487,458,000
Net income (loss)	150,000	(9,000)	141,000	1,253,000
Unrealized gain on change in fair value of cash flow hedges	—	26,000	26,000	4,197,000
Share-based compensation, net	—	—	—	781,000
Common stock sales, net of issuance expenses	—	—	—	1,000
Preferred stock dividends	—	—	—	(2,688,000)
Distributions to common shareholders/noncontrolling interests	—	(5,000)	(5,000)	(904,000)
Reallocation adjustment of limited partners' interest	—	(19,000)	(19,000)	—
Balance, March 31, 2021	$ 1,203,000	$ 2,900,000	$ 4,103,000	$ 490,098,000

See accompanying notes to consolidated financial statements

CEDAR REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended March 31, 2022	Three months ended March 31, 2021
OPERATING ACTIVITIES		
Net (loss) income	$ (1,077,000)	$ 1,253,000
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Gain on sales	—	(1,047,000)
Impairment charges	707,000	—
Straight-line rents and expenses, net	(73,000)	(103,000)
Provision for doubtful accounts	44,000	68,000
Depreciation and amortization	8,263,000	11,211,000
Amortization of intangible lease liabilities, net	(269,000)	(277,000)
Expense relating to share-based compensation, net	542,000	880,000
Amortization of deferred financing costs	219,000	342,000
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Rents and other receivables	(1,169,000)	(1,845,000)
Prepaid expenses and other	(923,000)	(2,234,000)
Accounts payable and accrued liabilities	2,441,000	1,294,000
Net cash provided by operating activities	8,705,000	9,542,000
INVESTING ACTIVITIES		
Expenditures for real estate improvements	(9,613,000)	(6,949,000)
Net proceeds from sales of real estate	—	1,248,000
Contributions to unconsolidated joint venture	(155,000)	—
Net cash used in investing activities	(9,768,000)	(5,701,000)
FINANCING ACTIVITIES		
Repayments under revolving credit facility	—	(2,000,000)
Advances under revolving credit facility	4,000,000	6,000,000
Mortgage repayments	(284,000)	(273,000)
Payments of debt financing costs	(6,000)	(2,476,000)
Noncontrolling interests:		
Distributions to limited partners	(5,000)	(5,000)
Common stock sales less issuance expenses, net	—	1,000
Preferred stock dividends	(2,688,000)	(2,688,000)
Distributions to common shareholders	(900,000)	(899,000)
Net cash provided by (used in) financing activities	117,000	(2,340,000)
Net (decrease) increase in cash, cash equivalents and restricted cash	(946,000)	1,501,000
Cash, cash equivalents and restricted cash at beginning of period	3,269,000	1,637,000
Cash, cash equivalents and restricted cash at end of period	$ 2,323,000	$ 3,138,000
Reconciliation to consolidated balance sheets:		
Cash and cash equivalents	$ 2,093,000	$ 3,138,000
Restricted cash	230,000	—
Cash, cash equivalents and restricted cash	$ 2,323,000	$ 3,138,000

See accompanying notes to consolidated financial statements

Note 1. Business and Organization

Cedar Realty Trust, Inc. (the "Company") is a real estate investment trust ("REIT") that focuses primarily on ownership, operation and redevelopment of grocery-anchored shopping centers in high-density urban markets from Washington, D.C. to Boston. At March 31, 2022, the Company owned and managed a portfolio of 50 operating properties (excluding properties "held for sale").

Cedar Realty Trust Partnership, L.P. (the "Operating Partnership") is the entity through which the Company conducts substantially all of its business and owns (either directly or through subsidiaries) substantially all of its assets. At March 31, 2022, the Company owned a 99.4% general and limited partnership interest in, and was the sole general partner of, the Operating Partnership. The limited partners' interest in the Operating Partnership (0.6% at March 31, 2022) is represented by partnership units in the Operating Partnership ("OP Units"). The carrying amount of such interest is adjusted at the end of each reporting period to an amount equal to the limited partners' ownership percentage of the Operating Partnership's net equity. The 81,000 OP Units outstanding at March 31, 2022 are economically equivalent to shares of the Company's common stock. The holders of OP Units have the right to exchange their OP Units for the same number of shares of the Company's common stock or, at the Company's option, for cash. Unless specifically noted otherwise, all references to OP Units exclude limited partnership units held by the Company.

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

Transaction Agreements

On March 2, 2022, the Company announced that following its previously announced review of strategic alternatives, it had entered into definitive agreements for the sale of the Company and its assets in a series of related all-cash transactions. Specifically, on March 2, 2022, the Company and certain of its subsidiaries, DRA Fund X-B LLC and KPR Centers LLC (together with their respective designees, the "Grocery-Anchored Purchasers") entered into an asset purchase and sale agreement (the "Asset Purchase Agreement"), pursuant to which the Grocery-Anchored Purchasers will acquire a portfolio of 33 grocery-anchored shopping centers from the Company for a cash purchase price of $840.0 million (the "Grocery-Anchored Portfolio Sale"). The Asset Purchase Agreement provides that to the extent specified redevelopment assets (Riverview Plaza, East River Park and Senator Square, which have been classified as "real estate held for sale" as of March 31, 2022) of the Company are not sold by the Company to third parties prior to the closing of the Grocery-Anchored Portfolio Sale, these assets will be acquired by the Grocery-Anchored Purchasers for an additional cash purchase price of up to $80.5 million. In addition, on March 2, 2022, the Company entered into an agreement and plan of merger (the "Merger Agreement") with Wheeler Real Estate Investment Trust, Inc. ("Wheeler") and certain of its affiliates pursuant to which, following closing of the Grocery-Anchored Portfolio Sale, Wheeler will acquire the balance of the Company's shopping center assets by way of an all-cash merger transaction that values the remaining portfolio at $291.3 million. Following completion of the transactions contemplated by the Merger Agreement, the Company will survive as a wholly-owned subsidiary of Wheeler. The Company's currently outstanding 7.25% Series B Preferred Stock and 6.50% Series C Preferred Stock will remain outstanding as shares of preferred stock in the surviving company following the transactions and are expected to remain listed on the New York Stock Exchange.

The transactions contemplated by the Asset Purchase Agreement and the Merger Agreement are collectively referred to as the "Transactions". The Transactions were unanimously approved by the Company's Board of Directors (the "Board") and are estimated to generate total net proceeds, after all transaction expenses, of more than $29.00 per share in cash, which will be distributed to shareholders upon completion. The Transactions are expected to close by the end of the second quarter of 2022, subject to satisfaction of customary closing conditions, including approval by the Company's common stockholders at a special meeting of stockholders to be held on May 27, 2022.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation/Basis of Preparation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and include all of the information and disclosures required by U.S. Generally Accepted Accounting Principles ("GAAP") for interim reporting. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statement disclosures. In the opinion of management, all adjustments necessary for fair presentation (including normal recurring accruals) have been included. The financial statements are prepared on the accrual basis in accordance with GAAP, which requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. Actual results could differ from these estimates. The unaudited consolidated financial statements in this Form 10-Q should be read in conjunction with the audited consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

The unaudited consolidated financial statements include the accounts and operations of the Company, the Operating Partnership, its subsidiaries, and certain joint venture partnerships in which it participates. The Company consolidates all variable interest entities for which it is the primary beneficiary.

Supplemental Consolidated Statements of Cash Flows Information

	Three months ended March 31,	
	2022	**2021**
Supplemental disclosure of cash activities:		
Cash paid for interest	$ 4,660,000	$ 5,271,000
Supplemental disclosure of non-cash activities:		
Capitalization of interest and financing costs	715,000	799,000
Buildings and improvements included in accounts payable and accrued liabilities	2,692,000	644,000

Recently Issued and Adopted Accounting Pronouncements

In April 2020, the FASB issued a question-and-answer document (the "Lease Modification Q&A") focused on the application of lease accounting guidance to lease concessions provided as a result of a novel strain of coronavirus ("COVID-19"). Under existing lease guidance, the Company would have to determine, on a lease by lease basis, if a lease concession was the result of a new arrangement reached with the tenant (treated with the lease modification accounting framework) or if a lease concession was under the enforceable rights and obligations within the existing lease agreement (precluded from applying the lease modification accounting framework). The Lease Modification Q&A clarifies that entities may elect to not evaluate whether lease-related relief that lessors provide to mitigate the economic effects of COVID-19 on lessees is a lease modification under ASC 842. Instead, an entity that elects not to evaluate whether a concession directly related to COVID-19 is a modification can then elect whether to apply the modification guidance (i.e. assume the relief was always contemplated by the contract or assume the relief was not contemplated by the contract). Both lessees and lessors may make this election. The Company is evaluating its election on a disaggregated basis, with such election applied consistently to leases with similar characteristics and similar circumstances.

During the three months ended March 31, 2022, the Company provided lease concessions to certain tenants in response to the impact of COVID-19, in the form of rent deferrals. The Company has made an election to account for such lease concessions consistent with how those concessions would be accounted for under ASC 842 if enforceable rights and obligations for those concessions had already existed in the leases. This election is available for concessions related to the effects of the COVID-19 pandemic that do not result in a substantial increase in our rights as lessor, including concessions that result in the total payments required by the modified lease being substantially the same as or less than total payments required by the original lease.

Substantially all of the Company's concessions to date provide for a deferral of payments with no substantive changes to the consideration in the original lease. These deferrals affect the timing, but not the amount, of the lease payments. The Company is accounting for these deferrals as if no changes to the lease were made. Under this accounting, the Company increases its receivables as tenant payments accrue and continues to recognize rental income. Through March 31, 2022, the Company has entered into lease modifications that deferred approximately $3.5 million, of which $2.4 million relates to deferrals that the Company continued to recognize rental income. In addition, through March 31, 2022, the Company has entered into agreements that waived approximately $2.4 million of rent.

Note 3. Real Estate

Investment in Unconsolidated Joint Venture

On May 5, 2021, the Company formed a joint venture with Goldman Sachs Urban Investment Group and Asland Capital Partners (the "Joint Venture") for the construction of an approximately 258,000 square foot six-story commercial building in Washington, D.C. consisting of approximately 240,000 square feet of office space which is 100% leased to the Washington, D.C., Department of General Services ("DGS") for its headquarters and approximately 18,000 square feet of street-level retail. The term of the lease with DGS is for 20 years and 10 months, to commence upon substantial completion and delivery to the DGS. This building is planned as the first phase of Northeast Heights, a redevelopment of two existing shopping centers, East River Park and Senator Square, into a mixed-use residential, office and retail property. Further, the Joint Venture has secured construction financing from JP Morgan not to exceed $105 million. The construction loan initially bears interest at LIBOR plus 200 basis points and has an initial term of three years with two, one-year extension options subject to customary conditions. The Company has a 10% interest in the joint venture and is a co-general partner along with Asland Capital Partners. The Company has contributed approximately $4.8 million of capital to the Joint Venture as of March 31, 2022. The Company sold approximately $8.0 million of development costs to the Joint Venture as part of its formation on May 5, 2021.

The Joint Venture currently estimates that the space will be delivered during the end of the fourth quarter 2022. Upon completion of the building, DGS will be obligated to pay initial annual net rent of approximately $5.4 million per year, subject to a 2.5% annual escalator on each anniversary of rent commencement, plus certain operating costs, property taxes and amortization of tenant improvements together totaling approximately an additional $8.1 million per year, for an aggregate total annual rent of approximately $13.5 million. The lease provides for a free rent period of 10 months immediately following rent commencement. The Lease also provides DGS with a tenant credit of approximately $6.8 million to be applied, at DGS's election, against either annual rent or any other tenant payment obligations including tenant improvement costs, in excess of the tenant improvement allowance. Pursuant to the lease, the Joint Venture will contribute up to $155 per rentable square foot toward the cost of tenant improvements, to be amortized over 240 months. In addition, the lease provides that the Joint Venture will contribute $9.38 per rentable square foot in additional tenant improvement allowance between the 10th and 12th lease years, upon DGS's timely election. The obligations of DGS under the Lease are subject to annual budget appropriation.

Real Estate Held for Sale

As of March 31, 2022, Carll's Corner, located in Bridgeton, New Jersey, Riverview Plaza, located in Philadelphia, Pennsylvania, and East River Park and Senator Square, both located in Washington, D.C., have been classified as "real estate held for sale" on the accompanying consolidated balance sheet.

Note 4. Fair Value Measurements

The carrying amounts of cash and cash equivalents, restricted cash, rents and other receivables, certain other assets, accounts payable and accrued liabilities, and variable-rate debt approximate their fair value due to their terms and/or short-term nature. The fair value of the Company's investments and liabilities related to deferred compensation were determined to be Level 1 within the valuation hierarchy, and were based on independent values provided by financial institutions.

The fair value of the Company's fixed rate mortgage loan was estimated using available market information and discounted cash flow analyses based on borrowing rates the Company believes it could obtain with a similar term and maturities. As of March 31, 2022 and December 31, 2021, the fair value of the Company's fixed rate mortgage loan payable, which was determined to be Level 3 within the valuation hierarchy, was $156.5 million and $159.0 million, respectively; the carrying value of such loan was $156.6 million and $156.8 million, respectively. As of March 31, 2022 and December 31, 2021, respectively, the aggregate fair values of the Company's unsecured revolving credit facility and term loans approximated the carrying values. In addition, the fair values of the Company's mortgage note receivable and finance lease obligation, which were determined to be Level 3 within the valuation hierarchy, approximated their carrying values as of March 31, 2022 and December 31, 2021, respectively.

The valuations of the liabilities for the Company's interest rate swaps, which are measured on a recurring basis, were determined to be Level 2 within the valuation hierarchy, and were based on independent values provided by financial institutions. Such valuations were determined using widely accepted valuation techniques, including discounted cash flow analyses, on the expected cash flows of each derivative. The analyses reflect the contractual terms of the swaps, including the period to maturity, and user-observable market-based inputs, including interest rate curves ("significant other observable inputs"). The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default. The Company has concluded that, as of March 31, 2022, the fair value associated with the "significant unobservable inputs" relating to the Company's risk of non-performance was insignificant to the overall fair value of the interest rate swap agreements and, as a result, that the relevant inputs for purposes of calculating the fair value of the interest rate swap agreements, in their entirety, were based upon "significant other observable inputs".

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

The following tables show the hierarchy for those assets measured at fair value on a recurring basis as of March 31, 2022 and December 31, 2021, respectively:

	March 31, 2022			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments related to deferred compensation liabilities (a)	$ 838,000	$ —	$ —	$ 838,000
Interest rate swaps assets (a)	$ —	$ 1,161,000	$ —	$ 1,161,000
Deferred compensation liabilities (b)	$ 861,000	$ —	$ —	$ 861,000
Interest rate swaps liability (b)	$ —	$ 1,128,000	$ —	$ 1,128,000

	December 31, 2021			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments related to deferred compensation liabilities (a)	$ 955,000	$ —	$ —	$ 955,000
Deferred compensation liabilities (b)	$ 982,000	$ —	$ —	$ 982,000
Interest rate swaps liability (b)	$ —	$ 8,232,000	$ —	$ 8,232,000

(a) Included in other assets and deferred charges, net, in the accompanying consolidated balance sheets.
(b) Included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

As of March 31, 2022, real estate held for sale on the consolidated balance sheet consisted offour retail properties, totaling $73.7 million, which were determined to be Level 2 assets under the hierarchy, for which the carrying value was below its fair value.

Note 5. Mortgage Loans Payable and Unsecured Credit Facility

Debt and finance lease obligations are composed of the following at March 31, 2022:

Description	Maturity dates	March 31, 2022 Balance outstanding	March 31, 2022 Contractual interest rates weighted-average
Fixed-rate mortgage			
Franklin Village	Jun 2026	$ 44,296,000	3.9%
Shops at Suffolk Downs (a)	Jun 2031	15,600,000	3.5%
Trexlertown Plaza (a)	Jun 2031	36,100,000	3.5%
The Point (a)	Jun 2031	29,700,000	3.5%
Christina Crossing (a)	Jun 2031	17,000,000	3.5%
Lawndale Plaza (a)	Jun 2031	15,600,000	3.5%
Senator Square finance lease obligation	Sep 2050	5,587,000	5.3%
		163,883,000	3.6%
Unsecured credit facilities:			
Variable-rate:			
Revolving credit facility (b)	Aug 2024	70,000,000	2.0%
Fixed-rate (c):			
Term loan	Apr 2023	100,000,000	3.3%
Term loan	Sep 2024	75,000,000	3.8%
Term loan	Jul 2025	75,000,000	4.7%
Term loan	Aug 2026	50,000,000	3.3%
		533,883,000	3.5%
Unamortized issuance costs		(2,979,000)	
		$ 530,904,000	

(a) The mortgages for these properties are cross-collateralized.
(b) The revolving credit facility is subject to two one-year extensions at the Company's option.
(c) The interest rates on these term loans consist of the London Interbank Offered Rate ("LIBOR") plus a credit spread based on the Company's leverage ratio, for which the Company has interest rate swap agreements which convert the LIBOR rates to fixed rates. Accordingly, these term loans are presented as fixed-rate debt.

Unsecured Revolving Credit Facility and Term Loans

On August 30, 2021, the Company amended its existing $300 million unsecured credit facility and $50 million term loan. After the amendment, the new unsecured revolving credit facility is $185 million with an expiration in August 2024. The new unsecured revolving credit facility may be extended, at the Company's option for two additional one-year periods, subject to customary conditions. Interest on the borrowings under the new unsecured revolving credit facility component can range from LIBOR plus 135 bps to 195 bps (150 bps at March 31, 2022), based on the Company's leverage ratio. The Company extended its $50 million term loan four years with an expiration in August 2026.

The Company's unsecured credit facility and term loans contain financial covenants including, but not limited to, maximum debt leverage, maximum secured debt, minimum fixed charge coverage, and minimum net worth. In addition, the facility contains restrictions including, but not limited to, limits on indebtedness, certain investments and distributions. The Company's failure to comply with the covenants or the occurrence of an event of default under the facilities could result in the acceleration of the related debt and exercise of other lender remedies. Although the credit facility is unsecured, borrowing availability is based on unencumbered property adjusted net operating income for the trailing twelve months, as defined in the agreements. As of March 31, 2022, the Company had $70.0 million outstanding and $110.1 million available for additional borrowings under its revolving credit facility, and was in compliance with all financial covenants.

Mortgage Loans Payable

On May 5, 2021, the Company closed a non-recourse mortgage for $114.0 million. The mortgage matures June 1, 2031, bears interest at a fixed-rate of 3.49% and requires payment of interest only for the first five years followed by payments of principal and interest based on thirty-year amortization for the remainder of the term. The loan is secured by five shopping centers consisting of Lawndale Plaza, The Shops at Suffolk Downs, Christina Crossing, Trexlertown Plaza, and The Point. These properties had no pre-existing debt and the proceeds from this new loan were used to reduce amounts outstanding under the Company's revolving credit facility.

In the absence of waivers or consents from holders of the Company's indebtedness, the consummation of the Transactions described in Note 1 will result in a "change of control" under the terms of such indebtedness and would be expected to result in a default or similar event under substantially all of the Company's outstanding indebtedness, permitting the holders of such indebtedness to accelerate such indebtedness and demand immediate repayment at par, together with the applicable "make-whole" premium, if any.

Derivative Financial Instruments

The fair values of the interest rate swaps applicable to the unsecured term loans discussed above are included in accounts payable and accrued liabilities on the consolidated balance sheet at March 31, 2022. Charges and/or credits relating to the changes in the fair value of the interest rate swaps are made to accumulated other comprehensive income (loss), limited partners' interest, or operations (included in interest expense), as applicable. Over time, the unrealized gains and losses recorded in accumulated other comprehensive loss will be reclassified into earnings as an increase or reduction to interest expense in the same periods in which the hedged interest payments affect earnings. The Company estimates that approximately $1.7 million of accumulated other comprehensive loss will be reclassified as a charge to earnings within the next twelve months.

The following is a summary of the derivative financial instruments held by the Company at March 31, 2022 and December 31, 2021:

			March 31, 2022		
Designation/ Cash flow	Derivative	Count	Fair value	Maturity dates	Balance sheet location
Qualifying	Interest rate swaps	2	$ 1,161,000	2023-2025	Other assets and deferred charges, net
Qualifying	Interest rate swaps	3	$ 1,128,000	2023-2025	Accounts payable and accrued liabilities

			December 31, 2021		
Designation/ Cash flow	Derivative	Count	Fair value	Maturity dates	Balance sheet location
Qualifying	Interest rate swaps	5	$ 8,232,000	2023-2025	Accounts payable and accrued liabilities

The notional values of the interest rate swaps held by the Company at March 31, 2022 and December 31, 2021 were $100.0 million in each period.

The following presents the effect of the Company's derivative financial instruments on the consolidated statements of operations and the consolidated statements of equity for the three months ended March 31, 2022 and 2021, respectively:

		Gain recognized in other comprehensive (loss) income (effective portion)	
		Three months ended March 31,	
Designation/ Cash flow	Derivative	2022	2021
Qualifying	Interest rate swaps	$ 6,976,000	$ 2,394,000

	(Loss) recognized in other comprehensive (loss) income reclassified into earnings (effective portion)	
	Three months ended March 31,	
Classification	2022	2021
Continuing Operations	$ (1,362,000)	$ (1,803,000)

As of March 31, 2022 the Company believes it has no significant risk associated with non-performance of the financial institutions which are the counterparties to its derivative contracts.

Note 6. Commitments and Contingencies

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

The Company is the lessee under several ground lease and its executive office lease agreement. As of March 31. 2022, the Company's weighted average remaining lease term is approximately 30.0 years and the weighted average discount rate used to calculate the Company's lease liability is approximately4.8%. Rent expense under the Company's ground lease and executive office lease agreements was approximately $0.3 million and $0.4 million for the three months ended March 31, 2022 and 2021, respectively.

As a result of COVID-19, the Company has received numerous rent relief requests, most often in the form of rent deferrals. The Company has evaluated, and continues to evaluate, each tenant rent relief request on an individual basis, considering a number of factors. During the quarters ended March 31, 2022 and December 31, 2021, the Company collected 97% of contractual base rents and monthly tenant reimbursements in each period. Through March 31, 2022, the Company deferred approximately $3.5 million and waived approximately $2.4 million of rental income, respectively. To date, the weighted average payback period for the remaining deferred rent receivable is approximately 10 months, beginning at various times from July 2020 through June 2021.

As described in Note 1, on March 2, 2022, the Company entered into definitive agreements for the Transactions, which contemplate sale of the Company and all of its assets in a series of related all-cash transactions. On April 5, 2022, a purported stockholder of the Company filed a complaint against the Company and the Board in the United States District Court for the Eastern District of New York, entitled *Stein v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-1944. On April 6, 2022, another purported stockholder of the Company filed a complaint against the Company and the Board in the United States District Court for the Eastern District of New York, entitled *Wang v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-1975. On April 18, 2022, another purported stockholder of the Company filed a complaint against the Company and the Board in the United States District Court for the Eastern District of New York, entitled *Whitfield v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-02204. Also on April 18, 2022, a purported stockholder filed a complaint against the Company and the Board in the United States District Court for the Eastern District of Pennsylvania, entitled *Waterman v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-01489. On April 22, 2022, a purported stockholder filed a complaint against the Company and the Board in the United States District Court for the Eastern District of Pennsylvania, entitled *Thornburgh v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-02304. In each action, the complaint alleges violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") in connection with the proposed Transactions. The complaints generally allege that the preliminary proxy statement on Schedule 14A filed by the Company with the SEC on April 5, 2022 omits material information regarding financial projections, the financial analysis conducted by JLL Securities in connection with its fairness opinion, conflicts of interest on behalf of JLL Securities and BofA Securities, and the terms of BofA Securities' engagement. The complaints seek, among other things, an injunction preventing the consummation of the Transactions, or, in the event the Transactions are consummated, to recover damages resulting from defendants' alleged violations of the Exchange Act.

On April 8, 2022, several purported holders of the Company's outstanding preferred stock filed a putative class action complaint against the Company, the Board, and Wheeler in Montgomery County Circuit Court, Maryland (Case No. C-15-CV-22-00152). The complaint alleges on behalf of a putative class of holders of the Company's preferred stock, among other things, against the Company and the Board, claims for breach of contract with respect to the articles supplementary governing the terms of the Company's preferred stock, breach of fiduciary duty, and tortious interference and aiding and abetting breach of fiduciary duty against Wheeler. The complaint seeks, among other things, a declaration that holders of the Company's preferred stock are entitled to a liquidation preference as set forth in the articles supplementary governing the terms of the Company's preferred stock, compensatory damages, and an injunction enjoining the merger with Wheeler, and an injunction enjoining the distribution to the Company's common shareholders of the proceeds of any of the Transactions pending a determination of the merits of plaintiffs' claims.

The Company believes that the respective allegations asserted against the Company and other defendants in the lawsuits described above are without merit. Similar lawsuits may be filed in the future in connection with the proposed Transactions.

In addition, as described in Note 5, the absence of waivers or consents from holders of the Company's indebtedness, the consummation of the Transactions will result in a "change of control" under the terms of such indebtedness and would be expected to result in a default or similar event under substantially all of the Company's outstanding indebtedness, permitting the holders of such indebtedness to accelerate such indebtedness and demand immediate repayment at par, together with the applicable "make-whole" premium, if any.

Note 7. Shareholders' Equity

Preferred Stock

The Company is authorized to issue up to 12,500,000 shares of preferred stock. The following tables summarize details about the Company's preferred stock:

	Series B Preferred Stock	Series C Preferred Stock
Par value	$ 0.01	$ 0.01
Liquidation value	$ 25.00	$ 25.00

	March 31, 2022		December 31, 2021	
	Series B Preferred Stock	Series C Preferred Stock	Series B Preferred Stock	Series C Preferred Stock
Shares authorized	1,450,000	6,450,000	1,450,000	6,450,000
Shares issued and outstanding	1,450,000	5,000,000	1,450,000	5,000,000
Balance	$ 34,767,000	$ 124,774,000	$ 34,767,000	$ 124,774,000

Dividends

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

	Three months ended March 31,	
	2022	2021
Common stock	$ 0.066	$ 0.066
7.25% Series B Preferred Stock	$ 0.453	$ 0.453
6.50% Series C Preferred Stock	$ 0.406	$ 0.406

On April 19, 2022, the Company's Board of Directors declared dividends of $0.453125 and $0.406250 per share with respect to the Company's Series B Preferred Stock and Series C Preferred Stock, respectively. The distributions are payable on May 20, 2022 to shareholders of record on May 10, 2022.

Note 8. Revenues

Rental revenues for the three months ended March 31, 2022 and 2021, respectively, comprise the following:

	Three months ended March 31,	
	2022	2021
Base rents	$ 22,116,000	$ 24,015,000
Expense recoveries	7,546,000	8,348,000
Percentage rent	175,000	565,000
Straight-line rents	101,000	131,000
Amortization of intangible lease liabilities, net	269,000	277,000
Total rents	$ 30,207,000	$ 33,336,000

The Company reviews the collectability of charges under its tenant operating leases on a regular basis, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area where the property is located. During 2022 and 2021, the Company's assessment has specifically included the impact of the COVID-19 pandemic, which represents a material risk to collectability. In the event that collectability with respect to any tenant changes the Company recognizes an adjustment to rental income. The Company's review of collectability of charges under its operating leases includes any accrued rental revenues related to the straight-line method of reporting rental revenue. The Company identified various tenants where collection was no longer considered probable. The determination to record revenue on a cash basis and write off any outstanding straight-line receivable from these various tenants reduced net income $0.1 million for the three months ended March 31, 2022. In addition, during the three months ended March 31, 2022, $0.4 million of billed charges, consisting of rent and tenant reimbursements, were unpaid, and based on the Company's determination to record revenue on a cash basis for these tenants, these amounts were not recorded as revenue for the three months ended March 31, 2022.

Note 9. Share-Based Compensation

The following tables set forth certain share-based compensation information for the three months ended March 31, 2022 and 2021, respectively:

	Three months ended March 31, 2022		Three months ended March 31, 2021	
Expense relating to share/unit grants	$	584,000	$	929,000
Amounts capitalized		(42,000)		(49,000)
Total charged to operations	$	542,000	$	880,000

	Shares		Weighted average grant date value
Unvested shares/units, December 31, 2021	492,000	$	23.47
Restricted share grants	4,000		25.11
Vested during period	(33,000)		24.34
Unvested shares/units, March 31, 2022	463,000	$	23.42

During the three months ended March 31, 2022 there were 4,000 restricted shares issued, with a weighted average grant date fair value of $25.11 per share.

President and CEO Employment Contract

On June 15, 2018, the Company's President and CEO was granted a market performance-based equity award of 227,272 restricted stock units ("RSUs") and 227,272 dividend equivalent rights ("DERs") of the Company. Each RSU represents a contingent right to receive one common share if certain market performance criteria are achieved. Each DER accrues and will be deemed to be reinvested into the Company's common stock for which payment will only be made for the portion of the market performance-based equity award that are earned and vest. During the three years ending June 15, 2021 (the "Interim Performance Period"), a maximum of 113,636 shares were earned. Any portion of the market performance-based equity award that was not earned as of the end of the Interim Performance Period will be carried forward for calculation for the five years ending June 15, 2023 (the "Full Performance Period"). The percentage of the market performance-based equity award to be earned will be determined based on the Company's annual return on an investment in the Company's common stock ("TSR") over the Interim Performance Period and/or over the Full Performance Period as follows: if average annual TSR (1) is below 4%, the percentage of grant earned would be 0%, (2) equals 4%, the percentage of grant earned would be 33.3%, (3) equals 6.5%, the percentage of grant earned would be 66.7%, and (4) equals 10% or above, the percentage of grant earned would be 100%. Linear interpolation shall be applied to determine the percentage of the market performance-based equity award that is earned where the average annual TSR over the performance period falls between the percentages set forth above. Based on market performance for the Interim Performance Period, it was determined the Company's President and CEO earned 113,636 shares. Accordingly, on July 20, 2021, the Company issued 113,636 common shares to the CEO and paid him $0.3 million for the related DERs.

The DERs will accrue and will be deemed to be reinvested into the Company's common stock and payment with respect to the dividend equivalent rights will be deferred until the end of the Interim Performance Period, or the Full Performance Period, as the case may be, to coincide with the vesting, if any, of the market performance-based equity award. Payment will only be made for the portion of the market performance-based equity award that is earned and vests.

Note 10. Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing net income (loss) attributable to the Company's common shareholders by the weighted average number of common shares outstanding for the period including participating securities (restricted shares that have non-forfeitable rights to receive dividends issued pursuant to the Company's share-based compensation program are considered participating securities). Unvested restricted shares that are participating securities are not allocated net losses and/or any excess of dividends declared over net income, as such amounts are allocated entirely to the common shareholders. For the three months ended March 31, 2022 and 2021, the Company had 0.4 million and 0.5 million, respectively, of weighted average unvested restricted shares outstanding that were participating securities. The following table provides a reconciliation of the numerator and denominator of the EPS calculations for the three months ended March 31, 2022 and 2021:

	Three months ended March 31,			
		2022		2021
Numerator				
Net (loss) income	$	(1,077,000)	$	1,253,000
Preferred stock dividends		(2,688,000)		(2,688,000)
Net loss (income) attributable to noncontrolling interests		20,000		(141,000)
Net earnings allocated to unvested shares		(23,000)		(33,000)
Net (loss) attributable to vested common shares	$	(3,768,000)	$	(1,609,000)
Denominator				
Weighted average number of vested common shares outstanding, basic and diluted		13,285,000		13,144,000
Net (loss) per common share attributable to common shareholders, basic and diluted	$	(0.28)	$	(0.12)

Fully-diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into shares of common stock. For the three months ended March 31, 2022 and 2021, no restricted stock units ("RSU's") would have been issuable under the Company's President and CEO market performance-based equity award had the measurement period ended on March 31, 2022, and 2021, respectively, and therefore this market performance-based equity award had no impact in calculation diluted EPS. Net loss (income) attributable to noncontrolling interests of the Operating Partnership has been excluded from the numerator and the related OP Units have been excluded from the denominator for the purpose of calculating diluted EPS as there would have been no dilutive effect had such amounts been included. The weighted average number of OP Units outstanding were 81,000 for the three months ended March 31, 2022 and 2021.

Note 11. Subsequent Events

In determining subsequent events, management reviewed all activity from April 1, 2022 through the date of filing this Quarterly Report on Form 10-Q. Other than those events disclosed in this report, there were no other events or transactions that occurred that would require adjustment to, or disclosure in, the Company's consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

Executive Summary

The Company is a fully-integrated real estate investment trust that focuses primarily on ownership, operation and redevelopment of grocery-anchored shopping centers in high-density urban markets from Washington, D.C. to Boston. At March 31, 2022, the Company owned and managed a portfolio of 50 operating properties (excluding properties "held for sale") totaling 7.4 million square feet of gross leasable area ("GLA"). The portfolio was 91.6% leased and 89.3% occupied at March 31, 2022.

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

Significant Circumstances and Transactions

Transaction Agreements

On March 2, 2022, the Company announced that following its previously announced review of strategic alternatives, it had entered into definitive agreements for the sale of the Company and its assets in a series of related all-cash transactions. Specifically, on March 2, 2022, the Company and certain of its subsidiaries, DRA Fund X-B LLC and KPR Centers LLC (together with their respective designees, the "Grocery-Anchored Purchasers") entered into an asset purchase and sale agreement (the "Asset Purchase Agreement"), pursuant to which the Grocery-Anchored Purchasers will acquire a portfolio of 33 grocery-anchored shopping centers from the Company for a cash purchase price of $840.0 million (the "Grocery-Anchored Portfolio Sale"). The Asset Purchase Agreement provides that to the extent specified redevelopment assets (Riverview Plaza, East River Park and Senator Square, which have been classified as "real estate held for sale" as of March 31, 2022) of the Company are not sold by the Company to third parties prior to the closing of the Grocery-Anchored Portfolio Sale, these assets will be acquired by the Grocery-Anchored Purchasers for an additional cash purchase price of up to $80.5 million. In addition, on March 2, 2022, the Company entered into an agreement and plan of merger (the "Merger Agreement") with Wheeler Real Estate Investment Trust, Inc. ("Wheeler") and certain of its affiliates pursuant to which, following closing of the Grocery-Anchored Portfolio Sale, Wheeler will acquire the balance of the Company's shopping center assets by way of an all-cash merger transaction that values the remaining portfolio at $291.3 million. Following completion of the transactions contemplated by the Merger Agreement, the Company will survive as a wholly-owned subsidiary of Wheeler. The Company's currently outstanding 7.25% Series B Preferred Stock and 6.50% Series C Preferred Stock will remain outstanding as shares of preferred stock in the surviving company following the transactions and are expected to remain listed on the New York Stock Exchange.

The transactions contemplated by the Asset Purchase Agreement and the Merger Agreement are collectively referred to as the "Transactions". The Transactions were unanimously approved by the Company's Board of Directors (the "Board") and are estimated to generate total net proceeds, after all transaction expenses, of more than $29.00 per share in cash, which will be distributed to shareholders upon completion. The Transactions are expected to close by the end of the second quarter of 2022, subject to satisfaction of customary closing conditions, including approval by the Company's common stockholders at a special meeting of stockholders to be held on May 27, 2022.

COVID-19 Pandemic

As a result of COVID-19, the Company has received numerous rent relief requests, most often in the form of rent deferrals. The Company has entered into lease modifications that deferred approximately $3.5 million and waived approximately $2.4 million of rental income through March 31, 2022, respectively. To date, the weighted average payback period of deferred rent is approximately 10 months, beginning at various times from July 2020 through June 2021. The Company has collected approximately 97% of contractual base rents and monthly tenant reimbursements for each of the quarters ended March 31, 2022 and December 31, 2021.

Real Estate

On October 14, 2021, the Company acquired the 60% minority ownership percentage in the San Souci Plaza joint venture.

Investment in unconsolidated joint venture

On May 5, 2021, the Company formed a joint venture with Goldman Sachs Urban Investment Group and Asland Capital Partners (the “Joint Venture”) for the construction of an approximately 258,000 square foot six-story commercial building in Washington, D.C. consisting of approximately 240,000 square feet of office space which is 100% leased to the Washington, D.C., Department of General Services (“DGS”) for its headquarters and approximately 18,000 square feet of street-level retail. The term of the lease with DGS is for 20 years and 10 months, to commence upon substantial completion and delivery to the DGS. This building is planned as the first phase of Northeast Heights, a redevelopment of two existing shopping centers, East River Park and Senator Square, into a mixed-use residential, office and retail property. Further, the Joint Venture has secured construction financing from JP Morgan not to exceed $105 million. The construction loan initially bears interest at LIBOR plus 200 basis points and has an initial term of three years with two, one-year extension options subject to customary conditions. The Company has a 10% interest in the joint venture and is a co-general partner along with Asland Capital Partners. The Company has contributed approximately $4.8 million of capital to the Joint Venture as of March 31, 2022. The Company has sold approximately $8.0 million of development costs to the Joint Venture as part of its formation on May 5, 2021.

The Joint Venture currently estimates that the space will be delivered during the end of the fourth quarter 2022. Upon completion of the building, DGS will be obligated to pay initial annual net rent of approximately $5.4 million per year, subject to a 2.5% annual escalator on each anniversary of rent commencement, plus certain operating costs, property taxes and amortization of tenant improvements together totaling approximately an additional $8.1 million per year, for an aggregate total annual rent of approximately $13.5 million. The lease provides for a free rent period of 10 months immediately following rent commencement. The lease also provides DGS with a tenant credit of approximately $6.8 million to be applied, at DGS’s election, against either annual rent or any other tenant payment obligations including tenant improvement costs, in excess of the tenant improvement allowance. Pursuant to the lease, the Joint Venture will contribute up to $155 per rentable square foot toward the cost of tenant improvements, to be amortized over 240 months. In addition, the lease provides that the Joint Venture will contribute $9.38 per rentable square foot in additional tenant improvement allowance between the 10th and 12th lease years, upon DGS’s timely election. The obligations of DGS under the lease are subject to annual budget appropriation.

As of March 31, 2022, Carll’s Corner, located in Bridgeton, New Jersey, Riverview Plaza, located in Philadelphia, Pennsylvania and East River Park and Senator Square, both located in Washington, D.C. have been classified as “real estate held for sale” on the accompanying consolidated balance sheet.

Unsecured Revolving Credit Facility and Term Loans

On August 30, 2021, the Company amended its existing $300 million unsecured credit facility and $50 million term loan. After the amendment, the new unsecured revolving credit facility is $185 million with an expiration in August 2024. The new unsecured revolving credit facility may be extended, at the Company’s option for two additional one-year periods, subject to customary conditions. Interest on the borrowings under the new unsecured revolving credit facility component can range from LIBOR plus 135 bps to 195 bps (150 bps at March 31, 2022), based on the Company’s leverage ratio. The Company extended its $50 million term loan four years with an expiration in August 2026.

Mortgage Loans Payable

On May 5, 2021, the Company closed a non-recourse mortgage for $114.0 million. The mortgage matures June 1, 2031, bears interest at a fixed-rate of 3.49% and requires payment of interest only for the first five years followed by payments of principal and interest based on thirty-year amortization for the remainder of the term. The loan is secured by five shopping centers consisting of Lawndale Plaza, The Shops at Suffolk Downs, Christina Crossing, Trexlertown Plaza, and The Point. These properties had no pre-existing debt and the proceeds from this new loan were used to reduce amounts outstanding under the Company’s revolving credit facility.

Critical Accounting Policies

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

The Company believes there have been no material changes to the items disclosed as its critical accounting policies under Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. See Note 2 – “Summary of Significant Accounting Policies” for recently-adopted accounting pronouncements.

Results of Operations

Comparison of three months ended March 31, 2022 to March 31, 2021

			Change	
	2022	2021	Dollars	Percent
Revenues	$ 30,464,000	$ 33,551,000	$ (3,087,000)	-9.2%
Property operating expenses	(11,627,000)	(12,900,000)	1,273,000	-9.9%
Property operating income	18,837,000	20,651,000	(1,814,000)	
General and administrative	(2,972,000)	(4,528,000)	1,556,000	-34.4%
Depreciation and amortization	(8,263,000)	(11,211,000)	2,948,000	-26.3%
Gain on sales	—	1,047,000	(1,047,000)	n/a
Impairment charges	(707,000)	—	(707,000)	n/a
Transaction costs	(3,735,000)	—	(3,735,000)	n/a
Interest expense	(4,237,000)	(4,706,000)	469,000	-10.0%
Net (loss) income	(1,077,000)	1,253,000	(2,330,000)	
Net loss (income) attributable to noncontrolling interests	20,000	(141,000)	161,000	
Net (loss) income attributable to Cedar Realty Trust, Inc.	$ (1,057,000)	$ 1,112,000	$ (2,169,000)	

Revenues were lower as a result of (1) a decrease of $2.8 million in rental revenues and expense recoveries attributable to properties that were sold or held for sale in 2022 and 2021, (2) a decrease of $0.7 million in rental revenues and expense recoveries attributable to redevelopment properties, partially off-set by (3) an increase of $0.4 million in rental revenues and expense recoveries attributable to same-center properties.

Property operating expenses were lower as a result of (1) a decrease of $0.5 million in property operating expenses attributable to redevelopment properties and (2) a decrease of $0.9 million in property operating expenses attributable to properties sold or held for sale during 2022 and 2021, partially off-set by (3) an increase of $0.1 million in property operating expenses attributable to same center properties.

General and administrative costs were lower primarily as a result of (1) a decrease of $1.4 million in payroll related costs predominantly related to the previously announced dual-track strategic alternatives process.

Depreciation and amortization expenses were lower as a result of (1) a decrease of $1.4 million attributable to redevelopment properties, (2) a decrease of $0.8 million attributable to properties that were sold or held for sale in 2022 and 2021 and (3) a decrease of $0.7 million attributable to same center properties.

Gain on sales in 2021 relates to the sale of an outparcel building at Kempsville Crossing, located in Virginia Beach, Virginia.

Impairment charges in 2022 relates to Riverview Plaza, located in Philadelphia, Pennsylvania, and East River Plaza, located in Washington D.C.

Transaction costs in 2022 relate to costs incurred related to the previously announced dual-track strategic alternatives process.

Interest expense was lower as a result of (1) a decrease in the overall weighted average principal balance which resulted in a decrease in interest expense of $0.8 million, (2) a decrease in amortization expense of deferred financing costs $0.1 million, partially off-set by (3) an increase in the overall weighted average interest rate which resulted in an increase in interest expense of $0.4 million and (4) a decrease in capitalized interest of $0.1 million.

Same-Property Net Operating Income

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

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

The following table reconciles same-property NOI to the Company's consolidated operating income:

	Three months ended March 31,	
	2022	2021
Operating income	$ 3,160,000	$ 5,959,000
Add (deduct):		
General and administrative	2,972,000	4,528,000
Gain on sales	—	(1,047,000)
Transaction costs	3,735,000	—
Impairment charges	707,000	—
Depreciation and amortization	8,263,000	11,211,000
Straight-line rents	(101,000)	(131,000)
Amortization of intangible lease liabilities	(269,000)	(277,000)
Other adjustments	224,000	(22,000)
NOI related to properties not defined as same-property	(1,799,000)	(3,604,000)
Same-property NOI	$ 16,892,000	$ 16,617,000
Number of same properties	45	45
Same-property occupancy, end of period	91.5 %	89.4 %
Same-property leased, end of period	92.7 %	90.1 %
Same-property average base rent, end of period	$ 13.58	$ 13.53

Same-property NOI for the comparable three month periods increased 1.7% as a result of the negative impact of the COVID-19 pandemic which reduced rental revenues for the same-property portfolio.

Leasing Activity

The following is a summary of the Company's retail leasing activity during the three months ended March 31, 2022:

	Leases signed	GLA	New rent per sq.ft.	Prior rent per sq.ft.	Cash basis % change	Tenant improvements per sq.ft.
Renewals	24	142,200	14.49	13.68	5.9 %	0.29
New Leases - Comparable	10	75,600	21.34	13.74	55.3 %	99.38 (a)
New Leases - Non-Comparable (b)	2	3,400	34.60	n/a	n/a	212.87 (a)
Total (c)	36	221,200	17.13	n/a	n/a	37.38

(a) Includes both tenant allowance and landlord work. Excludes first generation space.
(b) Includes leases signed at first generation and expansion spaces.
(c) Legal fees and leasing commissions averaged a combined total of $5.17 per square foot.

Liquidity and Capital Resources

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

On August 30, 2021, the Company amended its existing $300 million unsecured credit facility and $50 million term loan. After the amendment, the new unsecured revolving credit facility is $185 million with an expiration in August 2024. The new unsecured revolving credit facility may be extended, at the Company’s option for two additional one-year periods, subject to customary conditions. Interest on the borrowings under the new unsecured revolving credit facility component can range from LIBOR plus 135 bps to 195 bps (150 bps at March 31, 2022), based on the Company’s leverage ratio. Interest on borrowings under the unsecured credit facility is based on the Company’s leverage ratio. The Company extended its $50 million term loan four years with an expiration in August 2026.

The Company’s unsecured credit facility and term loans contain financial covenants including, but not limited to, maximum debt leverage, maximum secured debt, minimum fixed charge coverage, and minimum net worth. In addition, the facility contains restrictions including, but not limited to, limits on indebtedness, certain investments and distributions. The Company’s failure to comply with the covenants or the occurrence of an event of default under the facilities could result in the acceleration of the related debt and exercise of other lender remedies. Although the credit facility is unsecured, borrowing availability is based on unencumbered property adjusted net operating income for the trailing twelve months, as defined in the agreements. As of the date of filing this Quarterly Report on Form 10-Q, the Company had $70.0 million outstanding and $110.1 million available for additional borrowings under its revolving credit facility, and was in compliance with all financial covenants.

On May 5, 2021, the Company closed a non-recourse mortgage for $114.0 million. The mortgage matures June 1, 2031, bears interest at a fixed-rate of 3.49% and requires payment of interest only for the first five years followed by payments of principal and interest based on thirty-year amortization for the remainder of the term. The loan is secured by five shopping centers consisting of Lawndale Plaza, The Shops at Suffolk Downs, Christina Crossing, Trexlertown Plaza, and The Point. These properties had no pre-existing debt and the proceeds from this new loan were used to reduce amounts outstanding under the Company’s revolving credit facility.

Debt and finance lease obligations are composed of the following at March 31, 2022:

Description	Maturity dates	March 31, 2022 Balance outstanding	March 31, 2022 Contractual interest rates weighted-average
Fixed-rate mortgage			
Franklin Village	Jun 2026	$ 44,296,000	3.9%
Shops at Suffolk Downs (a)	Jun 2031	15,600,000	3.5%
Trexlertown Plaza (a)	Jun 2031	36,100,000	3.5%
The Point (a)	Jun 2031	29,700,000	3.5%
Christina Crossing (a)	Jun 2031	17,000,000	3.5%
Lawndale Plaza (a)	Jun 2031	15,600,000	3.5%
Senator Square finance lease obligation	Sep 2050	5,587,000	5.3%
		163,883,000	3.6%
Unsecured credit facilities:			
Variable-rate:			
Revolving credit facility (b)	Aug 2024	70,000,000	2.0%
Fixed-rate (c):			
Term loan	Apr 2023	100,000,000	3.3%
Term loan	Sep 2024	75,000,000	3.8%
Term loan	Jul 2025	75,000,000	4.7%
Term loan	Aug 2026	50,000,000	3.3%
		533,883,000	3.5%
Unamortized issuance costs		(2,979,000)	
		$ 530,904,000	

(a) The mortgages for these properties are cross-collateralized.
(b) The revolving credit facility is subject to two one-year extensions at the Company's option.
(c) The interest rates on these term loans consist of LIBOR plus a credit spread based on the Company's leverage ratio, for which the Company has interest rate swap agreements which convert the LIBOR rates to fixed rates. Accordingly, these term loans are presented as fixed-rate debt.

The following table details the Company's debt and finance lease obligation maturities at March 31, 2022:

Year	Mortgage Loan Payable	Finance Lease Obligation	Revolving Credit Facility		Term Loans	Total
2022	$ 841,000	$ 28,000	$ -		$ -	$ 869,000
2023	1,160,000	39,000	-		100,000,000	101,199,000
2024	1,206,000	41,000	70,000,000	(a)	75,000,000	146,247,000
2025	1,253,000	44,000	-		75,000,000	76,297,000
2026	40,922,000	48,000	-		50,000,000	90,970,000
Thereafter	112,914,000	5,387,000	-		-	118,301,000
	$ 158,296,000	$ 5,587,000	$ 70,000,000		$ 300,000,000	$ 533,883,000

(a) The revolving credit facility is subject to two one-year extensions at the Company's option.

In order to continue qualifying as a REIT, the Company is required to distribute at least 90% of its "REIT taxable income", as defined in the Internal Revenue Code of 1986, as amended (the "Code"). The Company paid common and preferred stock dividends during 2021, and has continued to declare and pay common and preferred stock dividends through the first quarter of 2022. Future dividend declarations will continue to be at the discretion of the Board of Directors, and will depend on the cash flow and financial condition of the Company, capital requirements, annual distribution requirements under the REIT provisions of the Code, and such other factors as the Board of Directors may deem relevant. Additionally, the Board of Directors may reduce, as it did with the May 2020 common stock dividend of $0.01 per common share, or suspend payment of dividends to retain cash and reduce debt obligations and/or to fund redevelopments and other capital needs. The Company intends to continue to operate its business in a manner that will allow it to qualify as a REIT for U.S. federal income tax requirements.

Net Cash Flows

	Three months ended March 31,	
	2022	2021
Cash flows provided by (used in):		
Operating activities	$ 8,705,000	$ 9,542,000
Investing activities	$ (9,768,000)	$ (5,701,000)
Financing activities	$ 117,000	$ (2,340,000)

Operating Activities

Net cash provided by operating activities, before net changes in operating assets and liabilities, was $8.4 million for the three months ended March 31, 2022 and $12.3 million for the three months ended March 31, 2021. The decrease was primarily a result of property dispositions in 2021 and transaction costs related to the previously announced dual-track strategic alternatives process.

Investing Activities

Net cash flows used in investing activities were primarily the result of the Company's expenditures for property improvements and property disposition activities. During the three months ended March 31, 2022 the Company incurred expenditures of $9.6 million for property improvements and $0.2 million relating to contributions to the Company's unconsolidated joint venture. During the three months ended March 31, 2021, the Company incurred expenditures of $6.9 million for property improvements, which was partially offset by $1.2 million in proceeds from the sale of properties.

Financing Activities

During the three months ended March 31, 2022, the Company had $3.6 million of preferred and common stock distributions, and $0.3 million of mortgage repayments, which were partially offset by net advances of $4.0 million under the revolving credit facility. During the three months ended March 31, 2021, the Company had $3.6 million of preferred and common stock distributions, $0.3 million of mortgage repayments, and $2.5 million of debt financing costs, which were partially offset by net advances of $4.0 million under the revolving credit facility.

Funds From Operations

Funds From Operations ("FFO") is a widely recognized supplemental non-GAAP measure utilized to evaluate the financial performance of a REIT. The Company presents FFO in accordance with the definition adopted by the National Association of Real Estate Investment Trusts ("Nareit"). Nareit generally defines FFO as net income (determined in accordance with GAAP), excluding gains (losses) from sales of real estate properties, impairment write-downs on real estate properties directly attributable to decreases in the value of depreciable real estate, plus real estate related depreciation and amortization, and adjustments for partnerships and joint ventures to reflect FFO on the same basis. The Company considers FFO to be an appropriate measure of its financial performance because it captures features particular to real estate performance by recognizing that real estate generally appreciates over time or maintains residual value to a much greater extent than other depreciable assets.

The Company also considers Operating Funds From Operations ("Operating FFO") to be an additional meaningful financial measure of financial performance because it excludes items the Company does not believe are indicative of its core operating performance, such as non-capitalized acquisition pursuit costs, amounts relating to early extinguishment of debt and preferred stock redemption costs, management transition costs and certain redevelopment costs. The Company believes Operating FFO further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items.

FFO and Operating FFO should be reviewed with net income attributable to common shareholders, the most directly comparable GAAP financial measure, when trying to understand the Company's operating performance. FFO and Operating FFO do not represent cash generated from operating activities and should not be considered as an alternative to net income attributable to common shareholders or to cash flow from operating activities. The Company's computations of FFO and Operating FFO may differ from the computations utilized by other REITs and, accordingly, may not be comparable to such REITs.

A reconciliation of net (loss) attributable to common shareholders to FFO and Operating FFO for the three months ended March 31, 2022 and 2021 is as follows:

	Three months ended March 31, 2022	Three months ended March 31, 2021
Net (loss) attributable to common shareholders	$ (3,745,000)	$ (1,576,000)
Real estate depreciation and amortization	8,257,000	11,193,000
Limited partners' interest	(20,000)	(9,000)
Gain on sales	—	(1,047,000)
Impairment charges	707,000	—
Consolidated minority interests:		
Share of income	—	150,000
Share of FFO	—	(113,000)
FFO applicable to diluted common shares	5,199,000	8,598,000
Transaction costs (a)	3,735,000	—
Operating FFO applicable to diluted common shares	$ 8,934,000	$ 8,598,000
FFO per diluted common share	$ 0.38	$ 0.62
Operating FFO per diluted common share	$ 0.65	$ 0.62
Weighted average number of diluted common shares (b):		
Common shares and equivalents	13,752,000	13,834,000
OP Units	81,000	81,000
	13,833,000	13,915,000

(a) Includes costs incurred in connection with the previously announced dual-track strategic alternatives process.

(b) The weighted average number of diluted common shares used to compute FFO and Operating FFO applicable to diluted common shares includes OP Units, unvested restricted stock units and unvested restricted shares/units that are excluded from the computation of diluted EPS.

Inflation

Prior to 2021, inflation was relatively low and did not have a significant detrimental impact on the Company's results of operations. If inflation rates continue to increase, substantially all of the Company's tenant leases contain provisions designed to partially mitigate the negative impact of inflation in the near term. Such lease provisions include clauses that require tenants to reimburse the Company for inflation-sensitive costs such as real estate taxes and many of the operating expenses it incurs. Significant inflation rate increases over a prolonged period of time may have a material adverse impact on the Company's business.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

One of the principal market risks facing the Company is the risk of interest rate changes, primarily through its variable-rate revolving credit facility and term loans. The Company's objectives with respect to interest rate risk are to limit the impact of interest rate changes on operations and cash flows, and to lower its overall borrowing costs. To achieve these objectives, the Company may borrow at either fixed rates or at variable rates and enter into derivative financial instruments, such as interest rate swaps, to mitigate its interest rate risk. The Company does not enter into derivative or interest rate transactions for speculative purposes. The Company is not directly subject to foreign currency risk.

The Company has entered into forward interest rate swap agreements which convert the LIBOR rates to fixed rates for certain unsecured term loans. At March 31, 2022, the Company had $1.1 million included in accounts payable and accrued liabilities and $1.2 million in other assets and deferred charges, net on the consolidated balance sheet relating to the fair value of the interest rate swaps applicable to certain unsecured term loans.

At March 31, 2022, long-term debt consisted of a fixed-rate mortgage loan payable, a finance lease obligation, unsecured term loans, and the Company's unsecured variable-rate credit facility. Excluding unamortized premiums and debt issuance costs, the average interest rate on the $463.9 million of fixed-rate debt outstanding was 3.7%, with maturities at various dates through 2050. The average interest rate on the $70.0 million of variable-rate debt outstanding, which consists of the unsecured revolving credit facility, was 2.0%. With respect to the $70.0 million of variable-rate debt, if contractual interest rates either increase or decrease by 100 bps, the Company's interest cost would increase or decrease respectively by approximately $0.7 million per annum.

With respect to the Company's fixed rate mortgage notes and unsecured term loans, changes in interest rates generally do not affect the Company's interest expense as these notes are at fixed rates for extended terms. Because the Company presently intends to hold its existing fixed-rate debt either to maturity or until the sale of the associated property, these fixed-rate notes pose an interest rate risk to the Company's results of operations and its working capital position only upon the refinancing of that indebtedness. The Company's possible risk is from increases in long-term interest rates that may occur as this may increase the cost of refinancing maturing fixed-rate debt. In addition, the Company may incur prepayment penalties or defeasance costs when prepaying or defeasing debt.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, designed to ensure that information required to be disclosed in its filings under the Exchange Act is reported within the time periods specified in the rules and regulations of the Securities and Exchange Commission ("SEC"). In this regard, the Company has formed a Disclosure Committee currently comprising several of the Company's executive officers as well as certain other employees with knowledge of information that may be considered in the SEC reporting process. The Disclosure Committee has responsibility for the development and assessment of the financial and non-financial information to be included in the reports filed with the SEC, and assists the Company's Chief Executive Officer and Chief Financial Officer in connection with their certifications contained in the Company's SEC filings. The Disclosure Committee meets regularly and reports to the Audit Committee on a quarterly or more frequent basis. The Company's Chief Executive Officer and Chief Financial Officer have evaluated its disclosure controls and procedures as of March 31, 2022, and have concluded that such disclosure controls and procedures are effective.

During the three months ended March 31, 2022, there have been no changes in the Company's internal controls over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, these internal controls over financial reporting. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Part II Other Information

Item 1. Legal Proceedings

As described above, on March 2, 2022, the Company entered into definitive agreements for the Transactions, which contemplate sale of the Company and all of its assets in a series of related all-cash transactions. On April 5, 2022, a purported stockholder of the Company filed a complaint against the Company and the Board in the United States District Court for the Eastern District of New York, entitled *Stein v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-1944. On April 6, 2022, another purported stockholder of the Company filed a complaint against the Company and the Board in the United States District Court for the Eastern District of New York, entitled *Wang v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-1975. On April 18, 2022, another purported stockholder of the Company filed a complaint against the Company and the Board in the United States District Court for the Eastern District of New York, entitled *Whitfield v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-02204. Also on April 18, 2022, a purported stockholder filed a complaint against the Company and the Board in the United States District Court for the Eastern District of Pennsylvania, entitled *Waterman v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-01489. On April 22, 2022, a purported stockholder filed a complaint against the Company and the Board in the United States District Court for the Eastern District of Pennsylvania, entitled *Thornburgh v. Cedar Realty Trust, Inc. et. al.*, Civil Action No. 22-cv-02304. In each action, the complaint alleges violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) in connection with the proposed Transactions. The complaints generally allege that the preliminary proxy statement on Schedule 14A filed by the Company with the SEC on April 5, 2022 omits material information regarding financial projections, the financial analysis conducted by JLL Securities in connection with its fairness opinion, conflicts of interest on behalf of JLL Securities and BofA Securities, and the terms of BofA Securities’ engagement. The complaints seek, among other things, an injunction preventing the consummation of the Transactions, or, in the event the Transactions are consummated, to recover damages resulting from defendants’ alleged violations of the Exchange Act.

On April 8, 2022, several purported holders of the Company’s outstanding preferred stock filed a putative class action complaint against the Company, the Board, and Wheeler in Montgomery County Circuit Court, Maryland (Case No. C-15-CV-22-00152). The complaint alleges on behalf of a putative class of holders of the Company’s preferred stock, among other things, against the Company and the Board, claims for breach of contract with respect to the articles supplementary governing the terms of the Company’s preferred stock, breach of fiduciary duty, and tortious interference and aiding and abetting breach of fiduciary duty against Wheeler. The complaint seeks, among other things, a declaration that holders of the Company’s preferred stock are entitled to a liquidation preference as set forth in the articles supplementary governing the terms of the Company’s preferred stock, compensatory damages, and an injunction enjoining the merger with Wheeler, and an injunction enjoining the distribution to the Company’s common shareholders of the proceeds of any of the Transactions pending a determination of the merits of plaintiffs’ claims.

The Company believes that the respective allegations asserted against the Company and other defendants in the lawsuits described above are without merit. Similar lawsuits may be filed in the future in connection with the proposed Transactions.

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

Item 1A. Risk Factors

There were no material changes to the Risk Factors disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5.	**Other Information**

None.

Item 6.	**Exhibits**

Exhibit 2.1	Asset Purchase Agreement, dated as of March 2, 2022, by and among Cedar Realty Trust, Inc., DRA Fund X-B LLC, and KPR Centers LLC (incorporated by reference to Exhibit 2.1 of Form 8-K filed on March 3, 2022)
Exhibit 2.2	Agreement and Plan of Merger, dated as of March 2, 2022, by and among Wheeler Real Estate Investment Trust, Inc., Wheeler Merger Sub, Inc., WHLR OP Merger Sub LLC, Cedar Realty Trust, Inc., and Cedar Realty Trust Partnership, L.P. (incorporated by reference to Exhibit 2.2 of Form 8-K filed on March 3, 2022)
Exhibit 2.3	First Amendment to Merger Agreement, dated as of April 19, 2022, by and among Wheeler Real Estate Investment Trust, Inc., Wheeler Merger Sub, Inc., WHLR OP Merger Sub LLC, Cedar Realty Trust, Inc., and Cedar Realty Trust Partnership, L.P. (incorporated by reference to Annex B of the Company's Definitive Proxy Statement on Schedule 14A filed on April 21, 2022)
Exhibit 31.1	Rule 13a-14(a) Certification of Chief Executive Officer
Exhibit 31.2	Rule 13a-14(a) Certification of Chief Financial Officer
Exhibit 32.1	Section 1350 Certification of Chief Executive Officer
Exhibit 32.2	Section 1350 Certification of Chief Financial Officer
Exhibit 101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because iXBRLtags are embedded within the Inline XBRL document.
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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 REALTY TRUST, INC.

By: /s/ BRUCE J. SCHANZER	By: /s/ JENNIFER BITTERMAN
Bruce J. Schanzer	Jennifer Bitterman
President and Chief Executive Officer	Executive Vice President, Chief Financial Officer and Treasurer
(Principal Executive Officer)	(Principal Financial Officer)

May 5, 2022

Exhibit 31.1

CERTIFICATION

I, Bruce J. Schanzer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cedar Realty Trust, Inc. (the “Company” or “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ BRUCE J. SCHANZER
Bruce J. Schanzer
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Jennifer Bitterman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cedar Realty Trust, Inc. (the “Company” or “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ JENNIFER BITTERMAN

Jennifer Bitterman
Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Bruce J. Schanzer, Chief Executive Officer of Cedar Realty Trust, Inc. (the “Company”), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify, to the best of my knowledge, as follows:

1. The Quarterly Report on Form 10-Q of the Company for the period endedMarch 31, 2022, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, I have executed this Certification this 5th day of May, 2022.

/s/ BRUCE J. SCHANZER
Bruce J. Schanzer
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jennifer Bitterman, Chief Financial Officer of Cedar Realty Trust, Inc. (the "Company"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify, to the best of my knowledge, as follows:

1. The Quarterly Report on Form 10-Q of the Company for the period endedMarch 31, 2022, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, I have executed this Certification this 5th day of May, 2022.

/s/ JENNIFER BITTERMAN
Jennifer Bitterman
Executive Vice President, Chief Financial Officer and Treasurer