Firsthand Technology Value Fund, Inc.
Form 4
January 22, 2015

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Bulldog Investors, LLC

(Last) (First) (Middle)

PARK 80 WEST - PLAZA TWO, 250 PEHLE AVE., SUITE 708

(Street)

SADDLE BROOK, NJ 07663

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Firsthand Technology Value Fund, Inc. [SVVC]

3. Date of Earliest Transaction (Month/Day/Year)
01/20/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
_X_ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/20/2015		S		18,423	D	$ 18.5195	784,202	I	By Clients (1) (2)
Common Stock	01/21/2015		S		34,422	D	$ 18.4076	749,780	I	By Clients (1) (2)
Common Stock								5,000	D (3)	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Bulldog Investors, LLC PARK 80 WEST - PLAZA TWO 250 PEHLE AVE., SUITE 708 SADDLE BROOK, NJ 07663		X		
GOLDSTEIN PHILLIP PARK 80 WEST - PLAZA TWO 250 PEHLE AVE., SUITE 708 SADDLE BROOK, NJ 07663		X		
Dakos Andrew PARK 80 WEST - PLAZA TWO 250 PEHLE AVE., SUITE 708 SADDLE BROOK, NJ 07663		X		
Samuels Steven PARK 80 WEST - PLAZA TWO 250 PEHLE AVE., SUITE 708 SADDLE BROOK, NJ 07663		X		

Signatures

/s/ Phillip Goldstein on behalf of Bulldog Investors, LLC	01/22/2015

**Signature of Reporting Person	Date
/s/ Phillip Goldstein	01/22/2015
**Signature of Reporting Person	Date
/s/ Andrew Dakos	01/22/2015
**Signature of Reporting Person	Date
/s/ Steven Samuels	01/22/2015
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Certain private investment fund clients of Bulldog Investors, LLC are the beneficial owners of these shares of SVVC. Bulldog Investors, LLC disclaims beneficial interest in such shares except to the extent of any pecuniary interest therein.

(2) Andrew Dakos, Steven Samuels and Phillip Goldstein are the owners of Bulldog Investors, LLC. Messrs. Dakos, Samuels and Goldstein also are the Principals of the general partner of certain of such private investment fund clients of Bulldog Investors, LLC, and limited partners in certain of such private fund clients. Each of Messrs. Dakos, Samuels and Goldstein disclaims beneficial interest in shares held by such clients, except to the extent of any pecuniary interest therein.

(3) Shares are held by Phillip Goldstein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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$53,325,000

Discontinued operations:

Harbor Square (f/k/a Shore Mall)

Egg Harbor, NJ 344,823 2/25/2014 $25,000,000

McCormick Place

Olmstead, OH 46,000 5/6/2014 2,679,000 (a)

Gahanna Discount Drug Mart Plaza

Columbus, OH 48,667 5/27/2014 4,982,000 (a)

Townfair Center

Indiana, PA 218,610 5/29/2014 22,600,000

Lake Raystown Plaza

Huntingdon, PA 142,559 6/25/2014 19,500,000

$74,761,000

(a) Lender accepted a deed-in-lieu of foreclosure on the property. Sales price represents mortgage loan payable, accrued interest and other expenses forgiven upon title transfer.

Debt

On February 11, 2014, the Company closed $150 million of unsecured term loans consisting of a five-year $75 million term loan, all of which was borrowed at closing, maturing on February 11, 2019, and a seven-year $75 million term loan, all of which was borrowed on June 24, 2014, maturing on February 11, 2021. See Liquidity and Capital Resources below for additional details.

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During 2014, the Company repaid the following mortgage loans payable:

Property	Repayment Date	Maturity Date	Principal Payoff Amount
Virginia Little Creek	February 3, 2014	September 1, 2021	$ 295,000
Upland Square	February 11, 2014	October 26, 2014	$ 57,839,000
Kings Plaza	April 1, 2014	July 1, 2014	$ 7,188,000
Coliseum Marketplace	April 1, 2014	July 1, 2014	$ 11,045,000
Liberty Marketplace	April 1, 2014	July 1, 2014	$ 8,171,000
Trexler Mall	May 11, 2014	May 11, 2014	$ 19,479,000
Yorktowne Plaza	June 2, 2014	July 1, 2014	$ 18,726,000
Quartermaster Plaza	June 5, 2014	October 1, 2014	$ 11,217,000
Fieldstone Marketplace	July 11, 2014	July 11, 2014	$ 16,878,000
Mechanicsburg Center	August 1, 2014	November 1, 2014	$ 8,215,000
Smithfield Plaza	October 21, 2014	May 11, 2016	$ 6,616,000
Elmhurst Square	December 11, 2014	December 11, 2014	$ 3,638,000

Equity

In January 2014, the Company concluded a public offering of 6,900,000 shares of its common stock (including 900,000 shares relating to the exercise of an over-allotment option by the underwriters), and realized net proceeds, after offering expenses, of approximately $41.3 million.

The Company has at-the-market offering programs, under which it may offer and sell, from time-to-time, shares of its common and preferred stock. During 2014, there were no shares sold under these programs.

Significant Transactions Early 2015

On January 12, 2015, the Company concluded a public offering of 5,750,000 shares of its common stock (including 750,000 shares relating to the exercise of an over-allotment option by the underwriters), and realized net proceeds, after offering expenses, of approximately $41.9 million.

On February 5, 2015, the Company amended its existing $310 million unsecured credit facility. In addition, the Company closed $100 million of new unsecured term loans. See Liquidity and Capital Resources below for additional details.

Summary of Critical Accounting Policies

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis,

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management evaluates its estimates, including those related to revenue recognition and the allowance for doubtful accounts receivable, real estate investments and purchase accounting allocations related thereto, asset impairment, and derivatives used to hedge interest-rate risks. Management s estimates are based both on information that is currently available and on various other assumptions management believes to be reasonable under the circumstances. Actual results could differ from those estimates and those estimates could be different under varying assumptions or conditions.

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

Revenue Recognition

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

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

Real Estate Investments

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

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

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

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

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

Management is required to make subjective assessments in connection with its valuation of real estate acquisitions. These assessments have a direct impact on net income, because (1) above-market and below-market lease intangibles are amortized to rental income, and (2) the

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value of other intangibles is amortized to expense. Accordingly, higher allocations to below-market lease liability and other intangibles would result in higher rental income and amortization expense, whereas lower allocations to below-market lease liability and other intangibles would result in lower rental income and amortization expense.

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

New Accounting Pronouncements

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

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Results of Operations

Comparison of 2014 to 2013

	2014	2013	Change Dollars	Change Percent
Revenues	$ 148,184,000	$ 139,598,000	$ 8,586,000	6.2%
Property operating expenses	(44,786,000)	(42,319,000)	(2,467,000)	5.8%
Property operating income	103,398,000	97,279,000	6,119,000	
General and administrative	(14,356,000)	(13,980,000)	(376,000)	2.7%
Employee termination costs		(106,000)	106,000	n/a
Acquisition costs	(2,870,000)	(182,000)	(2,688,000)	n/a
Depreciation and amortization	(38,700,000)	(44,405,000)	5,705,000	-12.8%
Gain on sales	6,413,000	609,000	5,804,000	n/a
Impairment (charges)/reversal, net	(3,148,000)	172,000	(3,320,000)	n/a
Interest expense	(32,301,000)	(34,762,000)	2,461,000	-7.1%
Early extinguishment of debt costs	(825,000)	(106,000)	(719,000)	n/a
Income from continuing operations	17,611,000	4,519,000	13,092,000	
Discontinued operations:				
Income from operations	1,647,000	2,280,000	(633,000)	-27.8%
Impairment reversals/(charges), net	47,000	(3,049,000)	3,096,000	n/a
Gain on extinguishment of debt obligations	1,423,000	10,452,000	(9,029,000)	n/a
Gain on sales	7,963,000		7,963,000	n/a
Net income	28,691,000	14,202,000	14,489,000	
Net loss attributable to noncontrolling interests	290,000	246,000	44,000	
Net income attributable to Cedar Realty Trust, Inc.	$ 28,981,000	$ 14,448,000	$ 14,533,000	

Revenues were higher primarily as a result of (1) an increase of $8.9 million in rental revenues and expense recoveries for properties acquired in the first quarter of 2014 and the fourth quarter of 2013, (2) an increase of $1.4 million in rental revenues and expense recoveries at the Company s same-property portfolio, and (3) an increase of $0.6 million in rental revenues and expense recoveries at the Company s redevelopment properties, partially offset by (1) a decrease of $2.0 million in rental revenues and expense recoveries at properties classified in 2014 as real estate held for sale/conveyance, both sold and still held for sale, and (2) a decrease of $0.2 million in management fee income related to the Cedar/RioCan joint venture; the management agreement was terminated effective January 31, 2013.

Property operating expenses were higher primarily as a result of (1) an increase of $1.5 million in property operating expenses at properties acquired in the first quarter of 2014 and the fourth quarter of 2013, (2) a $0.7 million increase in snow removal costs, and (3) a $0.6 million increase in other operating expenses, primarily repairs and maintenance and non-billable expenses.

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Acquisition costs in 2014 relate to the purchase of Quartermaster Plaza, located in Philadelphia, Pennsylvania. Acquisition costs in 2013 relate to the purchase of Big Y Shopping Center, located in Fairfield County, Connecticut.

Depreciation and amortization expenses were lower primarily as a result of (1) accelerated depreciation of $6.7 million in 2013 relating to the redevelopment and lease up of vacant spaces which required the demolition of certain existing buildings resulting in accelerated depreciation expense, and (2) a reduction of $1.5 million in depreciation and amortization expense related to properties classified in 2014 as real estate held for sale/conveyance as the carrying values of these properties are now measured at the lower of depreciated cost or fair value, less cost to sell, partially offset by an increase of $2.5 million in depreciation and amortization expenses relating to properties acquired in the first quarter of 2014 and the fourth quarter of 2013.

Gain on sales in 2014 relates to the sales of properties treated as held for sale/conveyance subsequent to December 31, 2013. Gain on sales in 2013 relates to the sales of land parcels treated as held for sale/conveyance .

Impairment (charges)/reversals, net in 2014 relate to the impairments of properties classified in 2014 as real estate held for sale/conveyance. Impairment charges/(reversals) in 2013 relates to the $1.1 million partial cash recovery on a loan receivable previously written off, partially offset by $0.9 million of impairments relating to a property and land parcels.

Interest expense was lower primarily as a result of (1) $1.7 million as a result of a lower weighted average interest rate, and (2) $0.9 million as a result of a decrease in the overall outstanding principal balance of debt.

Early extinguishment of debt costs in 2014 and 2013 relates to defeasement fees and the write-off of unamortized fees associated with the prepayment of certain mortgage loans payable.

Discontinued operations for 2014 and 2013 include the results of operations, impairment reversals/(charges), net, gain on extinguishment of debt obligations, and gain on sales for properties sold or treated as discontinued operations on or before December 31, 2013, as more fully discussed elsewhere in this report.

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Comparison of 2013 to 2012

	2013	2012	Change Dollars	Change Percent
Revenues	$ 139,598,000	$ 135,726,000	$ 3,872,000	2.9%
Property operating expenses	(42,319,000)	(39,387,000)	(2,932,000)	7.4%
Property operating income	97,279,000	96,339,000	940,000	
General and administrative	(13,980,000)	(14,277,000)	297,000	-2.1%
Employee termination costs	(106,000)	(1,172,000)	1,066,000	n/a
Acquisition costs	(182,000)	(116,000)	(66,000)	n/a
Depreciation and amortization	(44,405,000)	(43,289,000)	(1,116,000)	2.6%
Gain on sales	609,000	997,000	(388,000)	n/a
Impairment reversal/(charges), net	172,000	(5,499,000)	5,671,000	n/a
Interest expense	(34,762,000)	(38,289,000)	3,527,000	-9.2%
Early extinguishment of debt costs	(106,000)	(2,607,000)	2,501,000	n/a
Equity in income of unconsolidated joint ventures		1,481,000	(1,481,000)	n/a
Gain on exit from unconsolidated joint ventures		30,526,000	(30,526,000)	n/a
Income from continuing operations	4,519,000	24,094,000	(19,575,000)	
Discontinued operations:				
Income from operations	2,280,000	5,526,000	(3,246,000)	-58.7%
Impairment charges, net	(3,049,000)	(284,000)	(2,765,000)	n/a
Gain on extinguishment of debt obligations	10,452,000		10,452,000	n/a
Gain on sales		4,679,000	(4,679,000)	n/a
Net income	14,202,000	34,015,000	(19,813,000)	
Net loss (income) attributable to noncontrolling interests	246,000	(4,309,000)	4,555,000	
Net income attributable to Cedar Realty Trust, Inc.	$ 14,448,000	$ 29,706,000	$ (15,258,000)	

Revenues were higher primarily as a result of (1) an increase of $5.7 million in rental revenues and expense recoveries at properties acquired in 2013 and 2012, (2) an increase of $2.3 million in rental revenues and expense recoveries at other operating properties, (3) an increase of $1.0 million in revenues at redevelopment properties, and (4) an increase of $0.2 million in rental revenues and expense recoveries at properties classified in 2014 as real estate held for sale/conveyance, partially offset by (1) a decrease of $3.0 million in lease termination income and (2) a decrease of $2.4 million in management fee income related to the Cedar/RioCan joint venture; the management agreement was terminated effective January 31, 2013.

Property operating expenses were higher primarily as a result of (1) an increase of $1.5 million in property operating expenses at properties acquired in 2013 and 2012, (2) an increase of $1.2 million in snow removal costs, and (3) an increase of $0.7 million in other operating expenses, partially offset by a decrease of $0.4 million in payroll and related benefits and costs.

Employee termination costs in 2012 reflect separation arrangements and terminations of employment agreements relating primarily to employee headcount reductions instituted in connection with property dispositions and the exit from the Cedar/RioCan joint venture. Such costs consist of (1) $0.7 million in severance and benefits, (2) $0.4 million in the accelerated vesting of share-based compensation grants, and (3) $0.1 million of other costs.

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Acquisition costs in 2013 relate to the purchase of Big Y Shopping Center located in Fairfield County, Connecticut. Acquisition costs in 2012 relate to the purchases of (1) Meadows Marketplace, located in Hershey, Pennsylvania, (2) Fieldstone Marketplace, located in New Bedford, Massachusetts, and (3) Franklin Village Plaza, located in Franklin, Massachusetts.

Depreciation and amortization expenses were higher primarily as a result of (1) an increase of $2.3 million relating to properties acquired in 2013 and 2012, (2) an increase of $0.5 million in depreciation relating to the redevelopment and lease up of vacant spaces which required the demolition of certain existing buildings resulting in accelerated depreciation expense (2013 - $6.7 million and 2012 - $6.2 million), offset by a $1.8 million reduction due to the completion of scheduled depreciation and amortization.

Gain on sales in 2013 and 2012 relate principally to sales of land parcels treated as held for sale/conveyance .

Impairment reversals/(charges), net in 2013 relates to the $1.1 million partial cash recovery on a loan receivable previously written off, partially offset by $0.9 million of impairments relating to a property and land parcels. Impairment reversals/(charges), net in 2012 relates to (1) the $4.4 million write-off of the aforementioned loan receivable, and (2) $1.1 million of impairments relating to certain land parcels treated as held for sale/conveyance .

Interest expense was lower primarily as a result of (1) $4.0 million as a result of a lower weighted average interest rate, and (2) $0.3 million relating to a decrease in amortization expense of deferred financing costs, partially offset by a (1) a $0.4 million decrease in capitalized interest, and (2) a $0.2 million increase due to the overall outstanding principal balance of debt.

Early extinguishment of debt costs in 2013 relate to the write-off of unamortized fees associated with prepaid mortgage loans payable. Early extinguishment of debt costs in 2012 relates to the write-off of unamortized fees associated with the Company s terminated stabilized property and development property credit facilities.

Equity in income of unconsolidated joint venture in 2012 relates to the Cedar/RioCan joint venture, which the Company exited in October 2012.

Gain on exit from unconsolidated joint venture in 2012 relates to the exit from the Cedar/RioCan joint venture.

Discontinued operations for 2013 and 2012 include the results of operations, impairment charges, net, gain on extinguishment of debt obligations, and gain on sales for properties sold or treated as discontinued operations on or before December 31, 2013, as more fully discussed elsewhere in this report.

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Same-Property Net Operating Income

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

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

	Years ended December 31, 2014	2013
Consolidated operating income	$ 50,737,000	$ 39,387,000
Add (deduct):		
General and administrative	14,356,000	13,980,000
Employee termination costs		106,000
Acquisition costs	2,870,000	182,000
Gain on sales	(6,413,000)	(609,000)
Impairment charges/(reversal)	3,148,000	(172,000)
Depreciation and amortization	38,700,000	44,405,000
Corporate costs included in property expenses	4,660,000	5,455,000
Management fee income		(191,000)
Straight-line rents	(761,000)	(1,387,000)
Amortization of intangible lease liabilities	(4,322,000)	(4,441,000)
Internal management fees charged to properties	(3,486,000)	(3,359,000)
Lease termination income and other adjustments	291,000	(223,000)
Consolidated NOI	99,780,000	93,133,000
Less NOI related to properties not defined as same-property	(24,742,000)	(19,424,000)
Same-property NOI	$ 75,038,000	$ 73,709,000
Number of same properties	50	50
Same-property occupancy, end of period	93.3%	93.8%
Same-property leased, end of period	93.8%	94.2%
Same-property average base rent, end of period	$ 12.87	$ 12.71

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Same-property NOI for the comparative periods increased by 1.8%. The results reflect an increase in average base rent of $0.16 per square foot, partially offset by a reduction in occupancy of 50 basis points (bps). Same-property NOI increased 1.2% excluding the re-tenanting impact from replacing the dark anchor at Oakland Commons with a Walmart Neighborhood Market.

Leasing Activity

The following is a summary of the Company s leasing activity during 2014:

	Leases signed	GLA	New rent per sq.ft. ($)	Prior rent per sq.ft. ($)	Cash basis % change	Tenant improvements per sq.ft. ($) (a)
Renewals	136	969,900	13.29	12.17	9.2%	0.00
New Leases - Comparable	23	102,300	15.52	14.09	10.2%	13.59
New Leases - Non-Comparable	14	56,600	18.52	n/a	n/a	17.51
Total (b)	173	1,128,800	13.75	n/a	n/a	2.11

(a) Includes both tenant allowance and landlord work. Excludes first generation space.
(b) For 2014, legal fees and lease commissions averaged a combined total of $2.05 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 the availability of financing on completed development projects, additional construction financing, or proceeds from the refinancing of existing debt.

On February 5, 2015, the Company amended its existing $310 million unsecured credit facility, which consists of (1) a $260 million revolving credit facility, expiring on February 5, 2019, and (2) a $50 million term loan, expiring on February 5, 2020. The revolving credit facility may be extended, at the Company s option, for an additional one-year period, subject to customary conditions. Under an accordion feature, the facility can be increased to $750 million, subject to customary conditions and lending commitments. Borrowings under the revolving credit facility component can range from LIBOR plus 135 bps to 195 bps (150 bps on February 5, 2015) and borrowing under the term loan component can range from 130 to 190 bps (145 bps on February 5, 2015), based on the Company s leverage ratio. As of December 31, 2014, the Company had $187.7 million available for additional borrowings under the revolving credit facility.

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On February 11, 2014, the Company closed $150 million of unsecured term loans comprised of a five-year $75 million term loan, maturing on February 11, 2019, and a seven-year $75 million term loan, maturing on February 11, 2021. As amended on February 5, 2015, borrowing under the five-year $75 million term loan can range from LIBOR plus 130 bps to 190 bps (145 bps on February 5, 2015) and borrowings under the seven-year $75 million term loan can range from LIBOR plus 170 bps to 230 bps (180 bps on February 5, 2015), each based on the Company s leverage ratio. Additionally, the Company has entered into forward interest rate swap agreements which convert the LIBOR rates to fixed rates for these term loans beginning July 1, 2014 through their maturities. Reflecting the February 5, 2015 amendment, the new effective fixed interest rates are 3.1% for the five-year $75 million term loan and 4.1% for the seven-year $75 million term loan.

On February 5, 2015, the Company closed $100 million of new unsecured term loans comprised of a five-year $50 million term loan maturing February 5, 2020 (all of which was borrowed at closing), and a seven-year $50 million term loan maturing February 5, 2022. Proceeds from the seven-year term loan can be drawn at any time from closing until July 1, 2015. Borrowings under the five-year $50 million term loan can range from 130 to 190 bps (145 bps on February 5, 2015) and borrowing under the seven-year $50 million term loan can range from LIBOR plus 155 bps to 215 bps (170 bps as of February 5, 2015), each based on the Company s leverage ratio. Additionally, the Company entered into forward interest rate swap agreements which converted the LIBOR rates to fixed rates for these term loans beginning July 1, 2015 through their maturities. As a result, the effective fixed interest rates will be 2.9% for the five-year $50 million term loan and 3.4% for the seven-year $50 million term loan.

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 loan agreements could result in the acceleration of the related debt. As of December 31, 2014, the Company is in compliance with all financial covenants.

Debt is comprised of the following at December 31, 2014:

		Interest rates	
Description	**Balance outstanding**	**Weighted - average**	**Range**
Fixed-rate mortgages	$ 393,388,000	5.4%	3.1% - 7.5%
Unsecured credit facilities:			
Revolving credit facility	72,000,000	1.9%	
Term loan	50,000,000	1.9%	
Term loan	75,000,000	3.2%	
Term loan	75,000,000	4.1%	
	$ 665,388,000	4.3%	

For 2015, the Company has approximately $6.1 million of scheduled debt principal amortization payments and $104.4 million of scheduled balloon payments. Substantially all 2015 debt requirements will be refinanced from the proceeds of the $100 million unsecured term loans which closed on February 5, 2015 (see above).

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Property-specific mortgage loans payable mature at various dates through 2029. The terms of several of the Company s mortgage loans payable require the Company to deposit certain replacement and other reserves with its lenders. Such restricted cash is generally available only for property-level requirements for which the reserves have been established, and is not available to fund other property-level or Company-level obligations.

On January 13, 2014, the Company concluded a public offering of 6,900,000 shares of its common stock (including 900,000 shares relating to the exercise of an over-allotment option by the underwriters), and realized net proceeds, after offering expenses, of approximately $41.3 million.

The Company has at-the-market offering programs, under which it may offer and sell, from time-to-time, shares of its common and preferred stock. During 2014, there were no shares sold under these programs.

On January 12, 2015, the Company concluded a public offering of 5,750,000 shares of its common stock (including 750,000 shares relating to the exercise of an over-allotment option by the underwriters), and realized net proceeds, after offering expenses, of approximately $41.9 million.

In order to continue qualifying as a REIT, the Company is required to distribute at least 90% of its REIT taxable income , as defined in the Internal Revenue Code of 1986, as amended (the Code). The Company paid common and preferred stock dividends during 2014 and 2013. While the Company intends to continue paying regular quarterly dividends, future dividend declarations will continue to be at the discretion of the Board of Directors, and will depend on the cash flow and financial condition of the Company, capital requirements, annual distribution requirements under the REIT provisions of the Code, and such other factors as the Board of Directors may deem relevant.

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Contractual obligations and commercial commitments

The following table sets forth the Company s significant debt repayment, interest and operating lease obligations at December 31, 2014:

	Maturity Date						
	2015	2016	2017	2018	2019	Thereafter	Total
Debt:							
Mortgage loans payable (a)	$ 110,479,000	$ 133,018,000	$ 62,923,000	$ 20,158,000	$ 2,037,000	$ 64,773,000	$ 393,388,000
Unsecured revolving credit facility (b)					72,000,000		72,000,000
Unsecured term loans (c)					75,000,000	125,000,000	200,000,000
Interest payments (d)	26,447,000	20,482,000	11,230,000	9,722,000	6,859,000	11,214,000	85,954,000
Operating lease obligations	1,530,000	1,537,000	1,004,000	851,000	865,000	10,207,000	15,994,000
Total	$ 138,456,000	$ 155,037,000	$ 75,157,000	$ 30,731,000	$ 156,761,000	$ 211,194,000	$ 767,336,000

(a) Substantially all 2015 debt requirements will be refinanced from the proceeds of the unsecured term loans which closed on February 5, 2015.

(b) As amended on February 5, 2015, the 2019 amount is subject to a one-year extension option, and was originally due in 2016.

(c) As amended on February 5, 2015, the Thereafter amount includes a $50 million term loan originally due in 2018.

(d) Represents interest payments expected to be incurred on the Company s debt obligations as of December 31, 2014, including interest that may subsequently be capitalized. For variable-rate debt, the rate in effect at December 31, 2014 is assumed to remain in effect until the maturities of the respective obligations.

Net Cash Flows

	December 31,		
	2014	2013	2012
Cash flows provided by (used in):			
Operating activities	$ 50,885,000	$ 49,494,000	$ 50,362,000

Investing activities	$ 49,116,000	$ (15,072,000)	$ 50,340,000
Financing activities	$ (100,475,000)	$ (37,971,000)	$ (105,250,000)

Operating Activities

Net cash provided by operating activities, before net changes in operating assets and liabilities, was $57.3 million and $53.2 million for 2014 and 2013, respectively. The $4.1 million increase was primarily attributable to a reduction in interest expense of $3.8 million, as property operating income contributed by acquisitions, net of acquisition costs, was substantially offset by a reduction in property operating income associated with properties sold. The net change in operating assets and liabilities from 2014 to 2013 was $2.7 million, primarily due from the timing of collections of receivables and payments of accounts payable and accrued liabilities.

Net cash provided by operating activities, before net changes in operating assets and liabilities, was $53.2 million and $53.2 million for 2013 and 2012, respectively. These results remained consistent, as property operating income contributed by acquisitions, net of acquisition costs, and reductions in interest expense and property-level and general administrative overhead savings resulting from employee headcount reductions implemented by management in the latter part of 2012 was substantially offset by a reduction in property operating income associated with properties sold. The net change in operating assets and liabilities from 2013 to 2012 was a $0.9 million decrease, primarily due from the timing of collections of receivables and payments of accounts payable and accrued liabilities.

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Investing Activities

Net cash flows provided (used) by investing activities were primarily the result of the Company s property disposition activities, property acquisitions and expenditures for property improvements. During 2014, the Company received $102.1 million in proceeds from sales of properties classified as held for sale/conveyance and received $2.1 million in construction escrows and other, offset by the purchase of a shopping center for $38.9 million, and expenditures of $16.3 million for property improvements. During 2013, the Company purchased a shopping center for $32.8 million, had expenditures of $20.3 million for property improvements, offset by $34.7 million in proceeds from sales of properties classified as held for sale/conveyance, $2.2 million in proceeds from construction escrows and other, and a $1.1 million repayment of a note receivable. During 2012, the Company received $41.6 million in proceeds from the exit of the Cedar/RioCan unconsolidated joint venture, $34.9 million from sales of properties classified as held for sale/conveyance, $2.8 million in distributions from the Cedar/RioCan unconsolidated joint venture, and $2.4 million in construction escrows and other, offset by expenditures of $31.3 million for property improvements.

Financing Activities

During 2014, the Company made $177.1 million of repayments of mortgage loans payable, $81.5 million of net repayments under the revolving credit facility, $30.2 million of preferred and common stock distributions, $1.3 million in payments of debt financing costs, $1.0 million of distributions to consolidated joint venture minority interests and limited partners, and a $0.4 million payment for the redemption of OP Units, offset by borrowings of $150.0 million under new term loans and net proceeds of $41.2 million from the sale of common stock. During 2013, the Company made $77.1 million of repayments of mortgage loans payable, a $75.0 million repayment of a term loan, $35.0 million for the redemption of the 8.875% Series A Cumulative Redeemable Preferred Stock, $28.9 million of preferred and common stock distributions, $1.9 million in payments of debt financing costs, a $1.6 million payment for the purchase of the remaining minority interest in a consolidated joint venture, $0.7 million of distributions to consolidated joint venture minority interests and limited partners, and a $0.2 million payment for the redemption of OP Units, offset by $72.5 million of net advances under the revolving credit facility, $59.8 million of net proceeds from the sale of shares of its 7.25% Series B Cumulative Redeemable Preferred Stock, and a $50.0 million advance under a term loan. During 2012, the Company paid $124.9 million for redemptions and repurchases of shares of its 8.875% Series A cumulative Redeemable Preferred Stock, made $85.3 million of net repayments under the revolving credit facility, $79.6 million of repayments of mortgage loans payable, $29.2 million of preferred and common stock distributions, a $6.1 million payment for the purchase of the remaining minority interest in a consolidated joint venture, $4.9 million in payments of debt financing costs, and $4.3 million of distributions to consolidated joint venture minority interests and limited partners, offset by $124.4 million of net proceeds from the sale of shares of its 7.25% Series B Cumulative Redeemable Preferred Stock, a $75.0 million advance under a term loan, and $30.0 million in proceeds from mortgage refinancings.

Funds From Operations

Funds From Operations (FFO) is a widely-recognized non-GAAP financial measure for REITs that the Company believes, when considered with financial statements prepared in accordance with GAAP, is useful to investors in understanding financial performance and

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

The Company computes FFO in accordance with the White Paper published by the National Association of Real Estate Investment Trusts (NAREIT), which defines FFO as net income applicable to common shareholders (determined in accordance with GAAP), excluding impairment charges, gains or losses from debt restructurings and sales of properties, plus real estate-related depreciation and amortization, and after adjustments for partnerships and joint ventures (which are computed to reflect FFO on the same basis). FFO does not represent cash generated from operating activities and should not be considered as an alternative to net income applicable to common shareholders or to cash flow from operating activities. FFO is not indicative of cash available to fund ongoing cash needs, including the ability to make cash distributions. Although FFO is a measure used for comparability in assessing the performance of REITs, as the NAREIT White Paper only provides guidelines for computing FFO, the computation of FFO may vary from one company to another. The following table sets forth the Company s calculations of FFO for 2014, 2013 and 2012:

	Years ended December 31,		
	2014	**2013**	**2012**
Net income (loss) attributable to common shareholders	$ 14,573,000	$ (1,131,000)	$ 9,889,000
Add (deduct):			
Real estate depreciation and amortization	38,365,000	45,280,000	44,335,000
Limited partners interest	80,000	1,000	(26,000)
Impairment charges	3,101,000	2,877,000	5,783,000
Gain on sales	(14,376,000)	(609,000)	(5,676,000)
Gain on exit from unconsolidated joint ventures			(30,526,000)
Consolidated minority interests:			
Share of (loss) income	(370,000)	(247,000)	4,335,000
Share of FFO	(1,100,000)	(1,303,000)	(4,562,000)
Unconsolidated joint venture			
Share of income			(1,481,000)
Share of FFO			4,646,000
FFO	$ 40,273,000	$ 44,868,000	$ 26,717,000

Inflation

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

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Item 7A. 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 subject to foreign currency risk.

On February 11, 2014, the Company closed $150 million of unsecured term loans. The Company has entered into forward interest rate swap agreements which convert the LIBOR rates to fixed rates for the new term loans beginning July 1, 2014 through their maturities. As a result, the effective fixed interest rates are 3.2% for the $75.0 million five-year term loan and 4.1% for the $75.0 million seven-year term loan at December 31, 2014, based on the Company s current leverage ratio. At December 31, 2014, the Company had $2,777,000 included in accounts payable and accrued liabilities on the consolidated balance sheet relating to the fair value of the interest rate swaps applicable to the $150 million unsecured term loans.

On February 5, 2015, the Company closed $100 million of additional unsecured term loans. The Company also entered into forward interest rate swap agreements which convert the LIBOR rates to fixed rates for the new term loans beginning July 1, 2015 through their maturities. As a result, the effective fixed interest rates will be 2.9% for the $50.0 million five-year term loan and 3.4% for the $50.0 million seven-year term loan, based on the Company s leverage ratio at closing.

At December 31, 2014, long-term debt consisted of fixed-rate mortgage loans payable, unsecured term loans, and the Company s unsecured variable-rate credit facility. The average interest rate on the $543.4 million of fixed-rate indebtedness outstanding was 4.9%, with maturities at various dates through 2029. The average interest rate on the $122.0 million of unsecured variable-rate revolving credit facility and term loan was 1.9%. With respect to the $122.0 million of variable-rate debt outstanding at December 31, 2014, if contractual interest rates either increase or decrease by 100 bps, the Company s interest cost would increase or decrease respectively by approximately $1.2 million per annum.

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Item 8. Financial Statements and Supplementary Data

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Schedule III Real Estate and Accumulated Depreciation, December 31, 2014	94-98

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

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of

Cedar Realty Trust, Inc.

We have audited the accompanying consolidated balance sheets of Cedar Realty Trust, Inc. (the Company) as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cedar Realty Trust, Inc. at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method for reporting discontinued operations effective January 1, 2014.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Cedar Realty Trust, Inc. s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 19, 2015 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York

February 19, 2015

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CEDAR REALTY TRUST, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2014	December 31, 2013
ASSETS		
Real estate:		
Land	$ 312,868,000	$ 288,864,000
Buildings and improvements	1,163,305,000	1,162,087,000
	1,476,173,000	1,450,951,000
Less accumulated depreciation	(267,211,000)	(251,605,000)
Real estate, net	1,208,962,000	1,199,346,000
Real estate held for sale/conveyance	16,508,000	70,757,000
Cash and cash equivalents	3,499,000	3,973,000
Restricted cash	7,859,000	11,063,000
Receivables	18,405,000	18,492,000
Other assets and deferred charges, net	31,546,000	28,295,000
TOTAL ASSETS	$ 1,286,779,000	$ 1,331,926,000
LIABILITIES AND EQUITY		
Mortgage loans payable	$ 393,388,000	$ 516,292,000
Mortgage loans payable - real estate held for sale/conveyance		22,848,000
Unsecured revolving credit facility	72,000,000	153,500,000
Unsecured term loans	200,000,000	50,000,000
Accounts payable and accrued liabilities	22,364,000	22,666,000
Unamortized intangible lease liabilities	23,776,000	26,868,000
Unamortized intangible lease liabilities - real estate held for sale/conveyance		4,104,000
Total liabilities	711,528,000	796,278,000
Noncontrolling interest - limited partners mezzanine OP Units	396,000	414,000
Commitments and contingencies		
Equity:		
Cedar Realty Trust, Inc. shareholders equity:		
Preferred stock ($.01 par value, 12,500,000 shares authorized):		
Series B ($25.00 per share liquidation value, 10,000,000 shares authorized, 7,950,000 issued and outstanding)	190,661,000	190,661,000
Common stock ($.06 par value, 150,000,000 shares authorized, 79,213,000 and 72,200,000 shares, issued and outstanding, respectively)	4,753,000	4,332,000

Treasury stock (3,344,000 and 3,514,000 shares, respectively, at cost)	(18,803,000)	(20,191,000)
Additional paid-in capital	791,174,000	747,997,000
Cumulative distributions in excess of net income	(395,087,000)	(393,819,000)
Accumulated other comprehensive loss	(3,146,000)	(1,303,000)
Total Cedar Realty Trust, Inc. shareholders equity	569,552,000	527,677,000
Noncontrolling interests:		
Minority interests in consolidated joint ventures	2,872,000	4,202,000
Limited partners OP Units	2,431,000	3,355,000
Total noncontrolling interests	5,303,000	7,557,000
Total equity	574,855,000	535,234,000
TOTAL LIABILITIES AND EQUITY	$ 1,286,779,000	$ 1,331,926,000

See accompanying notes to consolidated financial statements.

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CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years ended December 31,		
	2014	**2013**	**2012**
REVENUES			
Rents	$ 116,505,000	$ 110,353,000	$ 104,187,000
Expense recoveries	31,392,000	28,691,000	25,518,000
Other	287,000	554,000	6,021,000
Total revenues	148,184,000	139,598,000	135,726,000
EXPENSES			
Operating, maintenance and management	26,604,000	24,418,000	22,343,000
Real estate and other property-related taxes	18,182,000	17,901,000	17,044,000
General and administrative	14,356,000	13,980,000	14,277,000
Employee termination costs		106,000	1,172,000
Acquisition costs	2,870,000	182,000	116,000
Depreciation and amortization	38,700,000	44,405,000	43,289,000
Total expenses	100,712,000	100,992,000	98,241,000
OTHER			
Gain on sales	(6,413,000)	(609,000)	(997,000)
Impairment charges/(reversal), net	3,148,000	(172,000)	5,499,000
Total other	(3,265,000)	(781,000)	4,502,000
OPERATING INCOME	50,737,000	39,387,000	32,983,000
NON-OPERATING INCOME AND EXPENSES			
Interest expense	(32,301,000)	(34,762,000)	(38,289,000)
Early extinguishment of debt costs	(825,000)	(106,000)	(2,607,000)
Equity in income of unconsolidated joint venture			1,481,000
Gain on exit from unconsolidated joint venture			30,526,000
Total non-operating income and expense	(33,126,000)	(34,868,000)	(8,889,000)
INCOME FROM CONTINUING OPERATIONS	17,611,000	4,519,000	24,094,000
DISCONTINUED OPERATIONS			
Income from operations	1,647,000	2,280,000	5,526,000
Impairment reversals/(charges), net	47,000	(3,049,000)	(284,000)
Gain on extinguishment of debt obligations	1,423,000	10,452,000	
Gain on sales	7,963,000		4,679,000

Total income from discontinued operations		11,080,000		9,683,000		9,921,000
NET INCOME		28,691,000		14,202,000		34,015,000
Less, net loss (income) attributable to noncontrolling interests:						
Minority interests in consolidated joint ventures		370,000		247,000		(4,335,000)
Limited partners interest in Operating Partnership		(80,000)		(1,000)		26,000
Total net loss (income) attributable to noncontrolling interests		290,000		246,000		(4,309,000)
NET INCOME ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.		28,981,000		14,448,000		29,706,000
Preferred stock dividends		(14,408,000)		(14,413,000)		(14,819,000)
Preferred stock redemption costs				(1,166,000)		(4,998,000)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	$	14,573,000	$	(1,131,000)	$	9,889,000
NET INCOME (LOSS) PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED)						
Continuing operations	$	0.04	$	(0.17)	$	0.05
Discontinued operations		0.14		0.14		0.08
	$	0.18	$	(0.03)	$	0.13
Weighted average number of common shares - basic and diluted		75,311,000		68,381,000		68,017,000

See accompanying notes to consolidated financial statements.

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CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years ended December 31, 2014	2013	2012
Net income	$ 28,691,000	$ 14,202,000	$ 34,015,000
Other comprehensive income - unrealized (loss) gain on change in fair value of cash flow hedges:			
Consolidated	(1,858,000)	1,260,000	836,000
Unconsolidated			118,000
Comprehensive income	26,833,000	15,462,000	34,969,000
Comprehensive loss (income) attributable to noncontrolling interests	305,000	243,000	(4,309,000)
Comprehensive income attributable to Cedar Realty Trust, Inc.	$ 27,138,000	$ 15,705,000	$ 30,660,000

See accompanying notes to consolidated financial statements.

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CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENT OF EQUITY

Years ended December 31, 2014, 2013 and 2012

	Cedar Realty Trust, Inc. Shareholders							
	Preferred stock		Common stock					
	Shares	$25.00 Liquidation value	Shares	$0.06 Par value	Treasury stock, at cost	Additional paid-in capital	Cumulative distributions in excess of net income	Accumulated other comprehensiv (loss)
EMBER	6,400,000	158,575,000	67,928,000	4,076,000	(10,528,000)	718,974,000	(373,741,000)	(3,513,000)
							29,706,000	
change h flow								835,000
change h flow ated joint								118,000
ensation,			2,754,000	165,000	(11,174,000)	14,631,000		
sales of	5,429,000	128,787,000				(4,417,000)		
rchases of	(4,992,000)	(123,693,000)				3,754,000	(4,998,000)	
es and net			1,000			(172,000)		
idends							(14,819,000)	
mmon ontrolling							(14,402,000)	
' Units k			1,134,000	68,000		7,827,000		
tment of nterest						2,000		
erest						7,595,000		
erest								
EMBER	6,837,000	163,669,000	71,817,000	4,309,000	(21,702,000)	748,194,000	(378,254,000)	(2,560,000)
							14,448,000	

change h flow								1,257,000
ensation,			378,000	23,000	1,511,000	1,814,000		
sales of	2,521,000	61,874,000				(2,025,000)		
ies A	(1,408,000)	(34,882,000)				1,056,000	(1,166,000)	
es and net			2,000			(64,000)		
idends							(14,413,000)	
mmon ontrolling							(14,434,000)	
Units k			3,000			24,000		
its								
Units								
tment of nterest						(498,000)		
erest						(504,000)		
erest								
EMBER	7,950,000	$ 190,661,000	72,200,000	$ 4,332,000	$ (20,191,000)	$ 747,997,000	$ (393,819,000)	$ (1,303,000)
							28,981,000	
change h flow								(1,843,000)
ensation,			60,000	4,000	1,388,000	1,947,000		
es and net			6,902,000	414,000		40,749,000		
idends							(14,408,000)	
mmon ontrolling							(15,841,000)	
Units k			51,000	3,000		368,000		
Units								
tment of nterest						113,000		
EMBER	7,950,000	$ 190,661,000	79,213,000	$ 4,753,000	$ (18,803,000)	$ 791,174,000	$ (395,087,000)	$ (3,146,000)

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	Noncontrolling Interests			
	Minority interests in consolidated joint ventures	Limited partners OP Units	Total	Total equity
BALANCE, DECEMBER 31, 2011	56,511,000	5,418,000	61,929,000	555,772,000
Net income (loss)	4,335,000	(35,000)	4,300,000	34,006,000
Unrealized gain on change in fair value of cash flow hedges		1,000	1,000	836,000
Unrealized gain on change in fair value of cash flow hedge - unconsolidated joint venture				118,000
Share-based compensation, net				3,622,000
Net proceeds from sales of Series B shares				124,370,000
Redemptions/repurchases of Series A shares				(124,937,000)
Common stock sales and issuance expenses, net				(172,000)
Preferred stock dividends				(14,819,000)
Distributions to common shareholders/noncontrolling interests	(4,182,000)	(74,000)	(4,256,000)	(18,658,000)
Conversions of OP Units into common stock		(3,998,000)	(3,998,000)	3,897,000
Reallocation adjustment of limited partners interest		78,000	78,000	80,000
Acquisition of noncontrolling interest	(13,743,000)		(13,743,000)	(6,148,000)
Disposition of noncontrolling interest	(36,840,000)		(36,840,000)	(36,840,000)
BALANCE, DECEMBER 31, 2012	6,081,000	1,390,000	7,471,000	521,127,000
Net income (loss)	(247,000)	3,000	(244,000)	14,204,000
Unrealized gain on change in fair value of cash flow hedges		3,000	3,000	1,260,000
Share-based compensation, net				3,348,000
Net proceeds from sales of Series B shares				59,849,000
Redemption of Series A shares				(34,992,000)
Common stock sales and issuance expenses, net				(64,000)
Preferred stock dividends				(14,413,000)
Distributions to common shareholders/noncontrolling interests	(665,000)	(38,000)	(703,000)	(15,137,000)
Conversions of OP Units into common stock		(24,000)	(24,000)	
Issuance of OP Units		1,500,000	1,500,000	1,500,000
Redemptions of OP Units		(10,000)	(10,000)	(10,000)
Reallocation adjustment of limited partners interest		531,000	531,000	33,000
Acquisition of noncontrolling interest	(1,048,000)		(1,048,000)	(1,552,000)
Disposition of noncontrolling interest	81,000		81,000	81,000
BALANCE, DECEMBER 31, 2013	4,202,000	3,355,000	7,557,000	535,234,000
Net income (loss)	(370,000)	69,000	(301,000)	28,680,000
Unrealized gain on change in fair value of cash flow hedges		(13,000)	(13,000)	(1,856,000)

Share-based compensation, net				3,339,000
Common stock sales and issuance expenses, net				41,163,000
Preferred stock dividends				(14,408,000)
Distributions to common shareholders/noncontrolling interests	(960,000)	(74,000)	(1,034,000)	(16,875,000)
Conversions of OP Units into common stock		(371,000)	(371,000)	
Redemptions of OP Units		(437,000)	(437,000)	(437,000)
Reallocation adjustment of limited partners interest		(98,000)	(98,000)	15,000
BALANCE, DECEMBER 31, 2014	$ 2,872,000	$ 2,431,000	$ 5,303,000	$ 574,855,000

See accompanying notes to consolidated financial statements

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CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years ended December 31,		
	2014	**2013**	**2012**
OPERATING ACTIVITIES			
Net income	$ 28,691,000	$ 14,202,000	$ 34,015,000
Adjustments to reconcile net income to net cash provided by operating activities:			
Impairment charges	3,101,000	2,877,000	5,783,000
Gain on extinguishment of debt obligations	(1,423,000)	(10,452,000)	
Gain on sales	(14,376,000)	(609,000)	(5,676,000)
Straight-line rents	(761,000)	(1,481,000)	(997,000)
Provision for doubtful accounts	1,985,000	1,572,000	2,826,000
Depreciation and amortization	38,700,000	45,663,000	44,674,000
Amortization of intangible lease liabilities	(4,322,000)	(4,446,000)	(5,364,000)
Expense relating to share-based compensation, net	3,531,000	3,701,000	3,561,000
Amortization (including accelerated write-off) of deferred financing costs	2,158,000	2,162,000	4,875,000
Equity in income of unconsolidated joint venture			(1,481,000)
Distributions from unconsolidated joint venture			1,481,000
Gain on exit from unconsolidated joint venture			(30,526,000)
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:			
Rents and other receivables, net	(2,989,000)	(1,606,000)	(307,000)
Prepaid expenses and other	(2,460,000)	(2,696,000)	(195,000)
Accounts payable and accrued liabilities	(950,000)	607,000	(2,307,000)
Net cash provided by operating activities	50,885,000	49,494,000	50,362,000
INVESTING ACTIVITIES			
Acquisition of real estate	(38,861,000)	(32,818,000)	
Expenditures for real estate improvements	(16,254,000)	(20,288,000)	(31,271,000)
Net proceeds from sales of real estate	102,124,000	34,713,000	34,858,000
Net proceeds from exit from unconsolidated joint venture			41,551,000
Distributions of capital from unconsolidated joint venture			2,846,000
Repayment of note receivable		1,100,000	
Construction escrows and other	2,107,000	2,221,000	2,356,000
Net cash provided (used) by investing activities	49,116,000	(15,072,000)	50,340,000
FINANCING ACTIVITIES			
Repayments under revolving credit facility	(231,500,000)	(105,000,000)	(437,439,000)
Advances under revolving credit facility	150,000,000	177,500,000	352,122,000

Advances under term loans	150,000,000	50,000,000	75,000,000
Repayment under term loan		(75,000,000)	
Proceeds from mortgage refinancings			30,000,000
Mortgage repayments	(177,094,000)	(77,069,000)	(79,637,000)
Payments of debt financing costs	(1,312,000)	(1,893,000)	(4,944,000)
Noncontrolling interests:			
Purchase of joint venture minority interests share		(1,552,000)	(6,148,000)
Distributions to consolidated joint venture minority interests	(960,000)	(665,000)	(4,182,000)
Distributions to limited partners	(86,000)	(52,000)	(99,000)
Redemptions of OP Units	(437,000)	(170,000)	
Common stock sales less issuance expenses, net	41,163,000	(64,000)	(172,000)
Net proceeds from sales of preferred stock		59,849,000	124,370,000
Redemption of preferred stock		(34,992,000)	(124,937,000)
Preferred stock dividends	(14,408,000)	(14,429,000)	(14,782,000)
Distributions to common shareholders	(15,841,000)	(14,434,000)	(14,402,000)
Net cash (used in) financing activities	(100,475,000)	(37,971,000)	(105,250,000)
Net (decrease) in cash and cash equivalents	(474,000)	(3,549,000)	(4,548,000)
Cash and cash equivalents at beginning of year	3,973,000	7,522,000	12,070,000
Cash and cash equivalents at end of year	$ 3,499,000	$ 3,973,000	$ 7,522,000

See accompanying notes to consolidated financial statements.

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2014

Note 1. Business and Organization

Cedar Realty Trust, Inc. (the Company) is a real estate investment trust (REIT) that focuses primarily on ownership and operation of grocery-anchored shopping centers straddling the Washington, DC to Boston corridor. At December 31, 2014, the Company owned and managed a portfolio of 59 operating properties (excluding properties held for sale/conveyance).

Cedar Realty Trust Partnership, L.P. (the Operating Partnership) is the entity through which the Company conducts substantially all of its business and owns (either directly or through subsidiaries) substantially all of its assets. At December 31, 2014, the Company owned a 99.5% economic interest in, and was the sole general partner of, the Operating Partnership. The limited partners interest in the Operating Partnership (0.5% at December 31, 2014) is represented by Operating Partnership Units (OP Units). The carrying amount of such interest is adjusted at the end of each reporting period to an amount equal to the limited partners ownership percentage of the Operating Partnership s net equity. The 393,000 OP Units outstanding at December 31, 2014 are economically equivalent to the Company s common stock. The holders of OP Units have the right to exchange their OP Units for the same number of shares of the Company s common stock or, at the Company s option, for cash.

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

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation/Basis of Preparation

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

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2014

economic performance, and (2) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE. Significant judgments related to these determinations include estimates about the current and future fair values, performance of real estate held by these VIEs, and general market conditions.

The Company has a 60%-owned joint venture originally formed to develop the project known as Crossroads II. This joint venture is consolidated as it is deemed to be a VIE and the Company is the primary beneficiary. The Company (1) guarantees all related debt, (2) does not require its partners to fund additional capital requirements, (3) has an economic interest greater than its voting proportion and (4) participates in the management activities that significantly impact the performance of the joint venture. At December 31, 2014, this VIE owned real estate with a carrying value of $40.5 million and no mortgage loan payable.

With respect to its two other consolidated joint venture properties at December 31, 2014 (New London Mall and San Souci Plaza), the Company is the general partner and has a partnership interest of 40% in each. As such entities are not VIEs, and the Company is the sole general partner and exercises substantial operating control over these entities, the Company has determined that such entities should be consolidated. On January 23, 2015, the Company acquired the New London joint venture s 60% ownership interest, giving the Company a 100% ownership interest in this property. The purchase price was $27.3 million, consisting of $10.9 million in cash, and $16.4 million representing the 60% share of the in-place mortgage financing.

The Company also had two 60%-owned joint ventures originally formed to develop the projects known as Heritage Crossings and Upland Square. Heritage Crossings was sold in May 2013 (see Note 4 Discontinued Operations) and the Company acquired the remaining 40% interest in Upland Square in October 2013 (see Note 3 Real Estate). Prior to these respective dates, these joint ventures were consolidated as they were deemed to be VIEs and the Company was the primary beneficiary. The Company (1) had guaranteed all related debt, (2) did not require its partners to fund additional capital requirements, (3) had an economic interest greater than its voting proportion, and (4) participated in the management activities that significantly impacted the performance of the joint venture.

The Company also had a 20% interest in the Cedar/RioCan joint venture, which the Company accounted for under the equity method (the Company exited the joint venture in October 2012). Although the Company provided management and other services, RioCan had significant management participation rights, thus the Company had determined that this joint venture was not a VIE (see Note 5 - Investment in Cedar/RioCan Joint Venture).

With respect to its interest in the Homburg joint venture properties (buy/sell provisions were concluded in October 2012 - see Note 4 Discontinued Operations), the Company was the general partner and had partnership interests of 20% in each of the venture s nine properties. As (1) such entities were not VIEs, and (2) the Company was the sole general partner and exercised substantial operating control over these entities, the Company had determined that such entities should be consolidated for financial statement purposes.

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2014

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

The consolidated financial statements reflect reclassifications of prior period amounts relating primarily to one operating property previously classified as discontinued operations that was determined in 2014 to be treated as continuing operations. Accordingly, applicable amounts have been reclassified from real estate held for sale/conveyance to real estate held for use on the prior-year consolidated balance sheet, and from discontinued operations to continuing operations on all prior years consolidated statements of operations. The reclassifications had no impact on previously-reported net income attributable to common shareholders or earnings per share.

Real Estate Investments

Real estate investments are carried at cost less accumulated depreciation. The provision for depreciation is calculated using the straight-line method based upon the estimated useful lives of the respective assets of between 3 and 40 years. Depreciation expense amounted to $35.0 million, $41.1 million and $40.0 million for 2014, 2013 and 2012, respectively. Expenditures for betterments that substantially extend the useful lives of the assets are capitalized. Expenditures for maintenance, repairs, and betterments that do not substantially prolong the normal useful life of an asset are charged to operations as incurred.

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

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December 31, 2014

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

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

Management reviews each real estate investment for impairment whenever events or circumstances indicate that the carrying value of a real estate investment may not be recoverable. The review of recoverability of real estate investments held for use is based on an estimate of the future cash flows that are expected to result from the real estate investment s use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of leasing demand, capital expenditures, competition and other factors. If an impairment event exists due to the projected inability to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds estimated fair value.

Sales of real estate are recognized only when sufficient down payments have been obtained, possession and other attributes of ownership have been transferred to the buyer and the Company has no significant continuing involvement. The Company believes these criteria were met for all real estate sold during 2014, 2013 and 2012.

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2014

Properties Held For Sale/Conveyance

In accordance with the newly-adopted guidance for reporting discontinued operations (see below), the carrying values of the assets and liabilities of properties determined to be held for sale/conveyance, principally the net book values of the real estate and the related mortgage loans payable to be assumed by the buyers (or conveyed to the mortgagees), are reclassified as held for sale/conveyance on the Company s consolidated balance sheets at the time such determinations are made, on a prospective basis only. In addition, the Company anticipates that sales of all such properties remaining classified as held for sale/conveyance at the balance sheet date will be concluded within one year from such date.

The Company conducts a continuing review of the values for all remaining properties held for sale/conveyance based on final sales prices and sales contracts entered into. Impairment charges/reversals, if applicable, are based on a comparison of the carrying values of the properties with either (1) actual sales prices less costs to sell for properties sold, or contract amounts for properties in the process of being sold, (2) estimated sales prices based on discounted cash flow analyses, if no contract amounts were as yet being negotiated (see Note 6 Fair Value Measurements), or (3) with respect to land parcels, estimated sales prices, less cost to sell, based on comparable sales completed in the selected market areas. Prior to the Company s determination to dispose of properties, which are subsequently reclassified to held for sale/conveyance , the Company performs recoverability analyses based on the estimated undiscounted cash flows that were expected to result from the real estate investments use and eventual disposal. The projected undiscounted cash flows of each property reflects that the carrying value of each real estate investment would be recovered. However, as a result of the properties meeting the held for sale criteria, such properties were written down to the lower of their carrying value and estimated fair values less costs to sell.

Cash and Cash Equivalents / Restricted Cash

Cash and cash equivalents consist of cash in banks and short-term investments with original maturities when purchased of less than ninety days, and include cash at consolidated joint ventures of $0.8 million and $1.5 million at December 31, 2014 and 2013, respectively.

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

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Fair Value Measurements

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

Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Revenue Recognition and Receivables

Management has determined that all of the Company s leases with its various tenants are operating leases. Rental income with scheduled rent increases is recognized using the straight-line method over the respective non-cancelable terms of the leases. The aggregate excess of rental revenue recognized on a straight-line basis over the contractual base rents is included in receivables on the consolidated balance sheet. Leases also generally contain provisions under which the tenants reimburse the Company for a portion of property operating expenses and real estate taxes incurred, generally attributable to their respective allocable portions of gross leasable area. Such income is recognized in the periods earned. In addition, a limited number of operating leases contain contingent rent provisions under which tenants are required to pay, as additional rent, a percentage of their sales in excess of a specified amount. The Company defers recognition of contingent rental income until those specified sales targets are met. Revenues also include items such as lease termination fees, which tend to fluctuate more than rents from year to year. Termination fees are fees that the Company has agreed to accept in consideration for permitting certain tenants to terminate their lease prior to the contractual expiration. The Company recognizes lease termination income when the following conditions are met: (1) the lease termination agreement has been executed, (2) the lease termination fee is determinable, (3) all the Company s landlord services pursuant to the terminated lease have been rendered, and (4) collectability of the lease termination fee is assured.

The Company must make estimates as to the collectability of its accounts receivable related to base rent, straight-line rent, percentage rent, expense reimbursements and other

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

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revenues. When management analyzes accounts receivable and evaluates the adequacy of the allowance for doubtful accounts, it considers such things as historical bad debts, tenant creditworthiness, current economic trends, current developments relevant to a tenant s business specifically and to its business category generally, and changes in tenants payment patterns. The allowance for doubtful accounts was $4.3 million and $5.1 million at December 31, 2014 and 2013, respectively. The provision for doubtful accounts (included in operating, maintenance and management expenses) was $1.9 million, $1.8 million and $1.9 million in 2014, 2013 and 2012, respectively.

Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the Code). A REIT will generally not be subject to federal income taxation on that portion of its income that qualifies as REIT taxable income, to the extent that it distributes at least 90% of such REIT taxable income to its shareholders and complies with certain other requirements. As of December 31, 2014, the Company was in compliance with all REIT requirements.

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

Derivative Financial Instruments

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

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2014

Noncontrolling Interest - Limited Partners Mezzanine OP Units

The Company follows the accounting guidance related to noncontrolling interests in consolidated financial statements, which states that a noncontrolling interest in a subsidiary (minority interests or certain limited partners interest, in the case of the Company), subject to the classification and measurement of redeemable securities, is an ownership interest in a consolidated entity which should be reported as equity in the parent company s consolidated financial statements. The guidance requires a reconciliation of the beginning and ending balances of equity attributable to noncontrolling interests and disclosure, on the face of the consolidated income statement, of those amounts of consolidated net income attributable to the noncontrolling interests. The Company classifies the balances related to minority interests in consolidated joint ventures and limited partners interest in the Operating Partnership into the consolidated equity accounts, as appropriate. Certain noncontrolling interests of the Company are classified in the mezzanine section of the balance sheet (the mezzanine OP Units) as such OP Units do not meet the requirements for equity classification (certain of the holders of such OP Units have registration rights that provide such holders with the right to demand registration under the federal securities laws of the common stock of the Company issuable upon conversion of such OP Units). The Company adjusts the carrying value of the mezzanine OP Units each period to equal the greater of its historical carrying value or its redemption value. Through December 31, 2014, there have been no cumulative net adjustments recorded to the carrying amounts of the mezzanine OP Units.

Share-Based Compensation

The Company s 2012 Stock Incentive Plan (the 2012 Plan) establishes the procedures for the granting of, among other things, restricted stock awards. The maximum number of shares of the Company s common stock that may be issued pursuant to the 2012 Plan is 4.5 million, and the maximum number of shares that may be granted to a participant in any calendar year may not exceed 500,000. All grants issued pursuant to the 2012 Plan generally vest (1) at the end of designated time periods for time-based grants, or (2) upon the completion of a designated period of performance for performance-based grants and satisfaction of performance criteria. Time based grants are valued according to the market price for the Company s common stock at the date of grant. For performance-based grants, the Company generally engages an independent appraisal company to determine the value of the shares at the date of grant, taking into account the underlying contingency risks associated with the performance criteria. The value of all grants are being expensed on a straight-line basis over their respective vesting periods (irrespective of achievement of the performance-based grants) adjusted, as applicable, for forfeitures. For restricted share grants subject to graded vesting, the amounts expensed are at least equal to the measured expense of each vested tranche. Based on the terms of the 2012 Plan, those grants of restricted shares that are contributed to the Rabbi Trusts are classified as treasury stock on the Company s consolidated balance sheet.

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Supplemental Consolidated Statements of Cash Flows Information

	Years ended		
	2014	2013	2012
Supplemental disclosure of cash activities:			
Cash paid for interest	$ 32,275,000	$ 36,114,000	$ 43,663,000
Supplemental disclosure of non-cash activities:			
Capitalization of interest and financing costs	757,000	915,000	1,314,000
Mortgage loans payable assumed upon acquisition	(53,439,000)		
Mortgage loans payable assumed by buyer	15,557,000		76,632,000
Conversions of OP Units into common stock	371,000	24,000	7,895,000
Issuance of OP Units in connection with a property acquisition		(1,500,000)	
Deed-in-lieu of foreclosure of properties:			
Real estate transferred	(6,238,000)	(4,724,000)	
Mortgage loans payable and related obligations settled	7,661,000	13,878,000	
Acquisition of noncontrolling interests in consolidated joint venture properties			7,595,000
Disposition of noncontrolling interests in consolidated joint venture properties			(36,840,000)
Exchange of joint venture interest for 100% interest in unconsolidated joint venture property:			
Real estate and related assets acquired			75,127,000
Mortgage loan payable assumed			(43,112,000)

Recently-Issued Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board (FASB) issued guidance which amends the requirements for reporting discontinued operations. Under the amended guidance, a disposal of an individual property or group of properties is required to be reported in discontinued operations only if the disposal represents a strategic shift that has, or will have, a major effect on the Company s operations and financial results. The amended guidance also requires additional disclosures about both discontinued operations and the disposal of an individually significant component of an entity that does not qualify for discontinued operations presentation in the financial statements. The Company has adopted the provisions of this guidance as of January 1, 2014, and has applied the provisions prospectively. The results of operations for properties classified as held for sale/conveyance prior to the adoption of this guidance will continue to be reported as discontinued operations in the consolidated statements of operations.

In May 2014, the FASB issued guidance which amends the accounting for revenue recognition. Under the amended guidance, a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The guidance is effective for interim and annual reporting periods beginning after December 15, 2016, with early adoption not permitted. The Company is currently in the process of evaluating the impact the adoption of the guidance will have on its consolidated financial statements.

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In August 2014, the FASB issued guidance which requires management to evaluate whether there are conditions and events that raise substantial doubt about an entity s ability to continue as a going concern, and to provide disclosures when it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. The guidance is effective for annual periods ending after December 15, 2016, with early adoption permitted. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

Note 3. Real Estate

Real estate activity for 2014 and 2013 is comprised of the following:

	Years ended December 31, 2014	2013
Cost		
Balance, beginning of year	$ 1,450,951,000	$ 1,423,979,000
Properties held for sale	(81,223,000)	
Property acquired	91,241,000	34,666,000
Properties sold		(1,351,000)
Impairments	(6,000)	(928,000)
Improvements and betterments	15,210,000	13,581,000
Write-off of fully-depreciated assets		(18,996,000)
Balance, end of the year	$ 1,476,173,000	$ 1,450,951,000
Accumulated depreciation		
Balance, beginning of the year	$ 251,605,000	$ 229,535,000
Properties held for sale	(18,523,000)	
Depreciation expense	34,129,000	41,066,000
Write-off of fully-depreciated assets		(18,996,000)
Balance, end of the year	$ 267,211,000	$ 251,605,000
Net book value	$ 1,208,962,000	$ 1,199,346,000

At December 31, 2014, certain of the Company s shopping center properties were pledged as collateral for mortgage loans payable. See Note 10 - Mortgage Loans Payable and Credit Facilities .

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2014 Acquisition

On March 21, 2014, the Company acquired Quartermaster Plaza located in Philadelphia, Pennsylvania. The purchase price for the property was approximately $92.3 million, of which approximately $53.4 million was funded from the assumption of (1) a $42.1 million mortgage loan payable, bearing interest at the rate of 5.3% per annum and maturing in October 2015, and (2) an $11.3 million mortgage loan payable, bearing interest at the rate of 5.5% per annum and payable in October 2014 (repaid in June 2014), with the remainder being funded from the Company s unsecured revolving credit facility. The Company incurred costs of $2.9 million in connection with this acquisition.

2013 Acquisitions

On August 16, 2013, the Company exercised the buy/sell option pursuant to the terms of the 60%-owned joint venture originally formed for the development of the Upland Square project, and the Company s partner opted not to meet the offered purchase option. The Company acquired the remaining 40% interest in the property on October 31, 2013 for approximately $1.6 million, reflecting the impact of the Company s preferred interest in the joint venture. As the property was previously controlled and consolidated by the Company, the acquisition of the 40% noncontrolling interest was recorded as a capital transaction. As such, the excess ($0.5 million) paid by the Company over the carrying value of the noncontrolling interest was recorded as a decrease in the Company s shareholders equity.

On November 18, 2013, the Company acquired the Big Y Shopping Center located in Fairfield County, Connecticut. The purchase price for the property was approximately $34.5 million, of which approximately $33 million was funded from the Company s unsecured revolving credit facility and the $1.5 million balance by the issuance of approximately 270,000 OP Units (based on the market price of the Company s common stock). The Company incurred costs of $0.2 million in connection with this acquisition.

2012 Acquisitions

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

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Properties Held For Sale/Conveyance Subsequent to December 31, 2013

During 2014, the Company determined to sell the properties listed below which did not meet the criteria set forth in the newly-adopted guidance for reporting discontinued operations (See Note 2 - Summary of Significant Accounting Policies):

Property	Location	Date Sold	Sales Price	Gain on Sale
Fairview Plaza	New Cumberland, PA	5/27/2014	$ 12,450,000	$ 3,810,000
Carbondale Plaza	Carbondale, PA	7/18/2014	10,700,000	123,000
Virginia Little Creek	Norfolk, VA	8/22/2014	9,850,000	2,209,000
Annie Land Plaza	Lovingston, VA	9/26/2014	3,500,000	
Smithfield Plaza	Smithfield, VA	10/21/2014	12,350,000	
St. James Square	Hagerstown, MA	11/5/2014	4,125,000	271,000
Circle Plaza	Shamokin Dam, PA			
Liberty Marketplace	Dubois, PA			
			$ 52,975,000	$ 6,413,000

As such, these properties have been classified as real estate held for sale/conveyance as of December 31, 2014 on the accompanying consolidated balance sheet, and their results of operations have remained in continuing operations. The carrying values of the assets of those properties that remained unsold at December 31, 2014 totaled $14.6 million, and are included in real estate held for sale/conveyance on the consolidated balance sheets. The Company recorded impairment charges of $3.4 million during 2014 relating to the above properties, which is included in continuing operations in the accompanying consolidated statements of operations.

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Land Parcels

During 2014, 2013 and 2012, the Company sold the following land parcels:

Property	Location	Date Sold	Sales Price	Gain on Sale
2014				
Blue Mountain Commons land parcel	Harrisburg, PA	10/22/2014	$ 350,000	$
2013				
Huntingdon Plaza land parcel	Huntingdon, PA	3/29/2013	$ 390,000	$ 266,000
Upland Square land parcel	Pottstown, PA	11/8/2013	1,700,000	215,000
Oregon Pike land parcel	Lancaster, PA	12/23/2013	1,451,000	
			$ 3,541,000	$ 481,000
2012				
Blue Mountain Commons land parcel	Harrisburg, PA	6/19/2012	$ 102,000	$ 79,000
Oregon Pike land parcel	Lancaster, PA	6/28/2012	1,100,000	
Trindle Springs land parcel	Mechanicsburg, PA	7/20/2012	800,000	
Aston land parcel	Aston, PA	7/27/2012	1,365,000	402,000
Wyoming land parcel	Wyoming, MI	11/16/2012	1,000,000	516,000
			$ 4,367,000	$ 997,000

The Company recorded reversals of impairments of $0.3 million in 2014, in addition to impairment charges of $0.9 million and $1.1 million during 2013 and 2012, respectively, relating to land parcels, which are included in continuing operations in the accompanying consolidated statements of operations.

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Note 4 Discontinued Operations

The results of operations for properties classified as discontinued operations prior to the newly-adopted guidance for reporting discontinued operations (see Note 2 - Summary of Significant Accounting Policies) have been classified as discontinued operations for all years presented. The following is a summary of the components of income from discontinued operations applicable to properties classified as such prior to the newly-adopted guidance for reporting discontinued operations:

	Years ended December 31,		
	2014	**2013**	**2012**
REVENUES			
Rents	$ 2,698,000	$ 9,963,000	$ 20,608,000
Expense recoveries and other	918,000	2,754,000	5,261,000
Total revenues	3,616,000	12,717,000	25,869,000
EXPENSES			
Operating, maintenance and management	783,000	3,655,000	7,475,000
Real estate and other property-related taxes	555,000	2,632,000	4,184,000
Depreciation and amortization		1,258,000	1,385,000
Interest	631,000	2,455,000	7,299,000
Early extinguishment of debt costs		437,000	
Total expenses	1,969,000	10,437,000	20,343,000
INCOME FROM OPERATIONS	1,647,000	2,280,000	5,526,000
IMPAIRMENT REVERSALS/(CHARGES), NET	47,000	(3,049,000)	(284,000)
GAIN ON EXTINGUISHMENT OF DEBT OBLIGATIONS	1,423,000	10,452,000	
GAIN ON SALES	7,963,000		4,679,000
TOTAL INCOME FROM DISCONTINUED OPERATIONS	$ 11,080,000	$ 9,683,000	$ 9,921,000

2014 Transactions

During 2014, the Company sold or conveyed the following properties classified as discontinued operations:

Property	**Location**	**Date Sold**	**Sales Price**	**Gain on Sale**
Harbor Square (f/k/a Shore Mall)	Egg Harbor, NJ	2/25/2014	$ 25,000,000	$
McCormick Place	Olmstead, OH	5/6/2014	2,679,000 (a)	
Gahanna Discount Drug Mart Plaza	Columbus, OH	5/27/2014	4,982,000 (a)	
Townfair Center	Indiana, PA	5/29/2014	22,600,000	1,472,000
Lake Raystown Plaza	Huntingdon, PA	6/25/2014	19,500,000	6,491,000
			$ 74,761,000	$ 7,963,000

(a) Lender accepted a deed-in-lieu of foreclosure on the property. Sales price represents mortgage loan payable, accrued interest and other expenses forgiven upon title transfer.

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On May 6, 2014, the McCormick Place lender accepted and recorded the deed to the property, thus completing the deed-in-lieu of foreclosure process in full satisfaction of the mortgage loan payable and related accrued interest aggregating $2.7 million. Based on the $1.8 million carrying value of the property, the Company recorded a $0.8 million gain on the extinguishment of a debt obligation in the second quarter of 2014, which is included in discontinued operations in the accompanying consolidated statement of operations.

On May 27, 2014, the Gahanna Discount Drug Mart Plaza lender accepted and recorded the deed to the property, thus completing the deed-in-lieu of foreclosure process in full satisfaction of the mortgage loan payable and related accrued interest aggregating $5.0 million. Based on the $4.3 million carrying value of the property, the Company recorded a $0.6 million gain on the extinguishment of a debt obligation in the second quarter of 2014, which is included in discontinued operations in the accompanying consolidated statement of operations.

2013 Transactions

During 2013, the Company sold or conveyed the following properties classified as discontinued operations:

Property	Location	Date Sold	Sales Price	Gain on Sale
East Chestnut	Lancaster, PA	1/2/2013	$ 3,100,000	$
Columbia Mall	Bloomsburg, PA	4/17/2013	2,775,000	
Heritage Crossing	Limerick, PA	5/9/2013	9,400,000	
Westlake Discount Drug Mart Plaza	Westlake, OH	6/5/2013	2,240,000	
Dunmore Shopping Center	Dunmore, PA	11/8/2013	4,000,000	
Roosevelt II	Philadelphia, PA	11/14/2013	13,878,000 (a)	
Oakhurst Plaza	Harrisburg, PA	12/11/2013	11,000,000	
			$ 46,393,000	$

(a) Lender accepted a deed-in-lieu of foreclosure on the property. Sales price represents mortgage loan payable, accrued interest and other expenses forgiven upon title transfer.

On June 5, 2013, the Company sold, through a short sale, Westlake Discount Drug Mart Plaza for net proceeds of $2.1 million. As of that date, the balance of the mortgage loan payable secured by the sold property, including accrued interest and real estate taxes, totaled $3.4 million. The lender accepted the net proceeds of $2.1 million in full satisfaction of the mortgage loan payable and related accrued interest. As a result, the Company recorded a $1.3 million gain on the extinguishment of a debt obligation during the second quarter of 2013, which is included in discontinuing operations in the accompanying consolidated statements of operations.

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On November 14, 2013, the Roosevelt II lender accepted and recorded the deed to the property, thus completing the deed-in-lieu of foreclosure process in full satisfaction of the mortgage loan payable and related accrued interest aggregating $13.9 million. Based on the $4.7 million carrying value of the property, the Company recorded a $9.2 million gain on the extinguishment of a debt obligation of in the fourth quarter of 2013, which is included in discontinued operations in the accompanying consolidated statements of operations.

2012 Transactions

During 2012, the Company sold the following properties classified as discontinued operations:

Property	Location	Date Sold	Sales Price	Gain on Sale
Hilliard Discount Drug Mart Plaza	Hilliard, OH	2/7/2012	$ 1,434,000	$
First Merit Bank at Akron	Akron, OH	2/23/2012	633,000	
Grove City Discount Drug Mart Plaza	Grove City, OH	3/12/2012	1,925,000	
CVS at Naugatuck	Naugatuck, CT	3/20/2012	3,350,000	457,000
CVS at Bradford	Bradford, PA	3/30/2012	967,000	
CVS at Celina	Celina, OH	3/30/2012	1,449,000	
CVS at Erie	Erie, PA	3/30/2012	1,278,000	
CVS at Portage Trail	Akron, OH	3/30/2012	1,061,000	
Rite Aid at Massillon	Massillon, OH	3/30/2012	1,492,000	
Kingston Plaza	Kingston, NY	4/12/2012	1,182,000	293,000
Stadium Plaza	East Lansing, MI	5/3/2012	5,400,000	
Homburg Joint Venture (seven properties)	Various	10/12/2012	23,642,000	3,929,000
The Point at Carlisle	Carlisle, PA	10/15/2012	7,350,000	
			$ 51,163,000	$ 4,679,000

On October 12, 2012, the Company concluded definitive agreements with Homburg Invest Inc. (Homburg) relating to the application of the buy/sell provisions of the joint venture agreements for each of the nine properties owned by the joint venture. In February 2011, Homburg had exercised its buy/sell option pursuant to the terms of the joint venture agreements for each of the nine properties owned by the venture. The Company made elections to purchase Homburg s 80% interest in two of the nine properties, Meadows Marketplace, located in Hershey, Pennsylvania, and Fieldstone Marketplace, located in New Bedford, Massachusetts. The Company also determined not to meet Homburg s buy/sell offers for each of the remaining seven properties, which were thereupon treated as held for sale/conveyance . Pursuant to the agreements, the Company acquired Homburg s 80% ownership in Meadows Marketplace, located in Hershey, Pennsylvania, and Fieldstone Marketplace, located in New Bedford,

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Massachusetts, for approximately $27.3 million, including the assumption of related in-place mortgage financing of $21.8 million, giving the Company a 100% ownership interest in these two properties. As the two properties were previously controlled and consolidated by the Company, the acquisitions of the 80% noncontrolling interests were recorded as a capital transaction. As such, the excess ($7.6 million) of the carrying amount of the noncontrolling interests over amounts paid by the Company was recognized as an increase in the Company s shareholders equity and a corresponding decrease in noncontrolling interests. In addition, the Company sold to Homburg its 20% ownership interest in the remaining seven joint venture properties for approximately $23.6 million, including the assumption of related in-place mortgage financing of $14.5 million. In connection with the transactions, the Company has recorded a gain of $3.9 million relating to the sale of the seven properties. The Company s property management agreements for the sold properties terminated upon the closing of the sale.

Note 5. Investment in Cedar/RioCan Joint Venture

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

The Company earned fees from the joint venture of approximately $0.2 million and $2.8 million for 2013 and 2012, respectively. Such fees are included in other revenues in the accompanying consolidated statements of operations.

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The following is a summary of the components of income related to the Company s investment in the Cedar/RioCan unconsolidated joint venture:

Statements of Income		January 1, 2012 to October 10, 2012 (Sale Date)
Revenues	$	49,341,000
Property operating and other expenses		(4,373,000)
Management fees		(1,653,000)
Real estate taxes		(5,941,000)
Acquisition transaction costs		(964,000)
General and administrative		(174,000)
Depreciation and amortization		(15,769,000)
Interest and other non-operating expenses, net		(13,027,000)
Net income	$	7,440,000
The Company s share of net income	$	1,481,000

Note 6. 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 fair value due to their terms and/or short-term nature. The fair value of the Company s investments and liabilities related to share-based compensation were determined to be Level 1 within the valuation hierarchy, and were based on independent values provided by financial institutions.

The valuation 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 December 31, 2014, the fair value associated with the significant unobservable inputs relating

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

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

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

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The following tables show the hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2014 and December 31, 2013, respectively:

	Assets/Liabilities Measured at Fair Value on a Recurring Basis December 31, 2014			
Description	Level 1	Level 2	Level 3	Total
Investments related to share-based compensation liabilities (a)	$ 492,000	$	$	$ 492,000
Share-based compensation liabilities (b)	$ 487,000	$	$	$ 487,000
Interest rate swaps liability (b)	$	$ 2,777,000	$	$ 2,777,000

	December 31, 2013			
Description	Level 1	Level 2	Level 3	Total
Investments related to share-based compensation liabilities (a)	$ 435,000	$	$	$ 435,000
Share-based compensation liabilities (b)	$ 426,000	$	$	$ 426,000
Interest rate swaps liability (b)	$	$ 647,000	$	$ 647,000

(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.

The fair values of the Company s fixed rate mortgage loans and unsecured revolving credit facility and term loans were estimated using available market information and discounted cash flow analyses based on borrowing rates the Company believes it could obtain with similar terms and maturities. As of December 31, 2014 and December 31, 2013, respectively, the aggregate fair values of the Company s unsecured revolving credit facility and term loans approximated the carrying values. As of December 31, 2014 and December 31, 2013, the aggregate fair values of the Company s fixed rate mortgage loans payable and mortgage loans payable real estate held for sale/conveyance, which were determined to be Level 3 within the valuation hierarchy, were approximately $410.8 million and $495.1 million, respectively; the carrying values of such loans were $393.4 million and $481.1 million, respectively.

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Notes to Consolidated Financial Statements

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The following tables show the hierarchy for those assets measured at fair value on a non-recurring basis as of December 31, 2014 and December 31, 2013, respectively:

	Assets Measured at Fair Value on a Non-Recurring Basis December 31, 2014			
Description	Level 1	Level 2	Level 3	Total
Real estate held for sale/conveyance	$	$ 3,424,000	$ 13,084,000	$ 16,508,000

	December 31, 2013			
Description	Level 1	Level 2	Level 3	Total
Real estate held for sale/conveyance	$	$	$ 70,757,000	$ 70,757,000

The following table details the quantitative information regarding Level 3 assets measured at fair value on a non-recurring basis as of December 31 2014 and December 31, 2013, respectively:

Quantitative Information about Level 3 Fair Value Measurements December 31, 2014				
Description	**Fair value**	**Valuation Technique**	**Unobservable inputs**	**Rate**
Retail property	$ 13,084,000	Discounted cash flow	Capitalization rate	8.3%
			Discount rate	9.6%

December 31, 2013				
Description	**Fair value**	**Valuation Technique**	**Unobservable inputs**	**Range (weighted average)**
Retail properties (six properties)	$ 70,210,000	Discounted cash flow	Capitalization rate	7.8% to 11.0% (8.2%)
			Discount rate	9.2% to 11.6% (9.4%)
Land parcel	547,000	Sale comparison approach	Price per acre	$ 35,000 per acre

$ 70,757,000

Note 7. Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents in excess of insured amounts and tenant receivables. The Company places its cash and cash equivalents with high quality financial institutions. Management performs ongoing credit evaluations of its tenants and requires certain tenants to provide security deposits and/or suitable guarantees.

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Excluding properties held for sale, Giant Food Stores, LLC and Stop & Shop, Inc., each of which is owned by Ahold N.V., a Netherlands corporation, accounted for an aggregate of approximately 14%, 15% and 14% of the Company s total revenues during 2014, 2013 and 2012, respectively.

The Company s properties are located largely in the region straddling the Washington DC to Boston corridor, which exposes it to greater economic risks than if the properties it owned were located in a greater number of geographic regions (in particular, 26 of the Company s properties are located in Pennsylvania).

Note 8. Receivables

Receivables at December 31, 2014 and 2013 are comprised of the following:

	December 31, 2014	December 31, 2013
Rents and other receivables, net	$ 3,479,000	$ 3,282,000
Straight-line rents	14,926,000	15,210,000
	$ 18,405,000	$ 18,492,000

During the fourth quarter of 2012, a $4.1 million loan receivable collateralized by a mortgage on a development parcel went into default. The Company concluded that the loan was unlikely to be paid and wrote off the loan and accrued interest, resulting in an impairment charge of $4.4 million during 2012, which is included in continuing operations in the accompanying consolidated statements of operations. Subsequently, on March 28, 2013, the borrowers sold the development land parcel for approximately $1.1 million and, simultaneously, the Company accepted $1.1 million in full satisfaction of the loan. As a result, the Company recorded an impairment reversal of $1.1 million during the first quarter of 2013, which is included in continuing operations in the accompanying consolidated statements of operations.

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Note 9. Other Assets and Deferred Charges, Net

Other assets and deferred charges, net at December 31, 2014 and 2013 are comprised of the following:

	December 31, 2014	December 31, 2013
Lease origination costs (a)	$ 18,180,000	$ 15,187,000
Financing costs	4,256,000	5,194,000
Prepaid expenses	6,689,000	5,234,000
Leasehold improvements, furniture and fixtures	761,000	1,020,000
Investments related to share-based compensation	492,000	435,000
Other	1,168,000	1,225,000
Total other assets and deferred charges, net	$ 31,546,000	$ 28,295,000

(a) Lease origination costs include the unamortized balance of intangible lease assets resulting from purchase accounting allocations of $8.4 million (cost of $20.7 million and accumulated amortization of $12.3 million) and $5.6 million (cost of $17.5 million and accumulated amortization of $11.9 million), respectively.

Deferred charges are amortized over the terms of the related agreements. Amortization expense related to deferred charges (including amortization of deferred financing costs included in non-operating income and expense) amounted to $5.6 million, $5.2 million and $7.9 million for 2014, 2013 and 2012, respectively. The unamortized balances of deferred lease origination costs and deferred financing costs are net of accumulated amortization of $22.4 million and $11.9 million, respectively, and will be charged to future operations as follows (lease origination costs through 2080, and financing costs through 2029):

	Lease origination costs	Financing costs
2015	$ 2,788,000	$ 1,811,000
2016	2,372,000	1,206,000
2017	1,804,000	438,000
2018	1,477,000	356,000
2019	1,229,000	175,000

Thereafter	8,510,000	270,000
	$ 18,180,000	$ 4,256,000

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Note 10. Mortgage Loans Payable and Unsecured Credit Facilities

Debt relating to continuing operations is comprised of the following at December 31, 2014 and 2013:

	December 31, 2014			December 31, 2013		
		Interest rates			Interest rates	
Description	**Balance outstanding**	**Weighted average**	**Range**	**Balance outstanding**	**Weighted average**	**Range**
Fixed-rate mortgages	$ 393,388,000	5.4%	3.1% - 7.5%	$ 458,207,000	5.5%	3.1% - 7.5%
Variable-rate mortgage				58,085,000	2.9%	
Total property-specific mortgages	393,388,000	5.4%		516,292,000	5.2%	
Unsecured credit facilities:						
Revolving facility	72,000,000	1.9%		153,500,000	2.3%	
Term loan	50,000,000	1.9%		50,000,000	2.3%	
Term loan	75,000,000	3.2%				
Term loan	75,000,000	4.1%				
	272,000,000	2.8%		203,500,000	2.3%	
	$ 665,388,000	4.3%		$ 719,792,000	4.3%	

Mortgage Loans Payable

Mortgage loan activity for 2014 and 2013 is summarized as follows:

	Years ended December 31, 2014	2013
Balance, beginning of year	$ 516,292,000	$ 589,168,000
Mortgages on properties held for sale	(15,249,000)	
Mortgage loan assumptions	53,439,000	
Repayments	(161,094,000)	(72,876,000)
Balance, end of the year	$ 393,388,000	$ 516,292,000

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During 2014 and 2013, the Company repaid the following mortgage loans payable:

Property	Repayment Date	Maturity Date	Principal Payoff Amount
2014			
Virginia Little Creek	February 3, 2014	September 1, 2021	$ 295,000
Upland Square	February 11, 2014	October 26, 2014	$ 57,839,000
Kings Plaza	April 1, 2014	July 1, 2014	$ 7,188,000
Coliseum Marketplace	April 1, 2014	July 1, 2014	$ 11,045,000
Liberty Marketplace	April 1, 2014	July 1, 2014	$ 8,171,000
Trexler Mall	May 11, 2014	May 11, 2014	$ 19,479,000
Yorktowne Plaza	June 2, 2014	July 1, 2014	$ 18,726,000
Quartermaster Plaza	June 5, 2014	October 1, 2014	$ 11,217,000
Fieldstone Marketplace	July 11, 2014	July 11, 2014	$ 16,878,000
Mechanicsburg Center	August 1, 2014	November 1, 2014	$ 8,215,000
Smithfield Plaza	October 21, 2014	May 11, 2016	$ 6,616,000
Elmhurst Square	December 11, 2014	December 11, 2014	$ 3,638,000
2013			
East Chestnut	January 2, 2013	April 1, 2018	$ 1,538,000
Academy Plaza	January 10, 2013	March 10, 2013	$ 8,633,000
Fort Washington	January 29, 2013	January 29, 2013	$ 5,384,000
General Booth	February 1, 2013	August 1, 2013	$ 4,960,000
Kempsville Crossing	February 1, 2013	August 1, 2013	$ 5,592,000
Smithfield Plaza	February 1, 2013	August 1, 2013	$ 3,200,000
Suffolk Plaza	February 1, 2013	August 1, 2013	$ 4,185,000
Virginia Little Creek	February 1, 2013	August 1, 2013	$ 4,484,000
Carbondale Plaza	June 17, 2013	May 1, 2015	$ 4,721,000
Port Richmond	July 30, 2013	August 1, 2013	$ 13,690,000
Timpany Plaza	November 1, 2013	January 1, 2014	$ 7,610,000

During 2014 and 2013, in connection with these repayments, the Company incurred charges relating to early extinguishment of mortgage loans payable (prepayment penalties and accelerated amortization of deferred financing costs) of $825,000 and $106,000, respectively, included in continuing operations. In addition, during 2013, in connection with these repayments, the Company incurred charges relating to early extinguishment of mortgage loans payable (prepayment penalties and accelerated amortization of deferred financing costs) of $437,000, included in discontinued operations.

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Mortgage Loans Payable Real Estate Held for Sale/Conveyance

The Company had no debt included in mortgage loans payable real estate held for sale/conveyance at December 31, 2014. Debt included in mortgage loans payable real estate held for sale/conveyance is comprised of the following at December 31, 2013:

	December 31, 2013		
		Interest rates	
Description	Balance outstanding	Weighted average	Range
Fixed-rate mortgages (a)	$ 22,848,000	5.4%	5.2% - 6.1%

(a) At December 31, 2013, the Company had a mortgage loan payable of approximately $11.9 million, subject to an interest rate swap which converted the LIBOR-based variable rate to a fixed annual rate of 5.2% per annum.

Unsecured Revolving Credit Facility and Term Loans

On August 13, 2013, the Company entered into a $310 million unsecured credit facility which, as amended on February 5, 2015, consists of (1) a $260 million revolving credit facility, expiring on February 5, 2019, and (2) a $50 million term loan, expiring on February 5, 2020. The revolving credit facility may be extended, at the Company s option, for an additional one-year period, subject to customary conditions. Under an accordion feature, the facility can be increased to $750 million, subject to customary conditions and lending commitments. Borrowings under the revolving credit facility component can range from LIBOR plus 135 bps to 195 bps (150 bps on February 5, 2015) and borrowing under the term loan component can range from 130 to 190 bps (145 bps on February 5, 2015), each based on the Company s leverage ratio. As of December 31, 2014, the Company had $187.7 million available for additional borrowings under the revolving credit facility.

On February 11, 2014, the Company closed $150 million of unsecured term loans comprised of a five-year $75 million term loan, maturing on February 11, 2019, and a seven-year $75 million term loan, maturing on February 11, 2021. As amended on February 5, 2015, borrowing under the five-year $75 million term loan can range from LIBOR plus 130 bps to 190 bps (145 bps on February 5, 2015) and borrowings under the seven-year $75 million term loan can range from LIBOR plus 170 bps to 230 bps (180 bps on February 5, 2015), each based on the Company s leverage ratio. Additionally, the Company has entered into forward interest rate swap agreements which convert the LIBOR rates to fixed rates for these term loans beginning July 1, 2014 through their maturities. Reflecting the February 5, 2015 amendment, the new effective fixed interest rates are 3.1% for the five-year $75 million term loan and 4.1% for the seven-year $75 million term loan.

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On February 5, 2015, the Company closed $100 million of new unsecured term loans comprised of a five-year $50 million term loan maturing February 5, 2020 (all of which was borrowed at closing), and a seven-year $50 million term loan maturing February 5, 2022. Proceeds from the seven-year term loan can be drawn at any time from closing until July 1, 2015. Borrowings under the five-year $50 million term loan can range from 130 to 190 bps (145 bps on February 5, 2015) and borrowing under the seven-year $50 million term loan can range from LIBOR plus 155 bps to 215 bps (170 bps as of February 5, 2015), each based on the Company s leverage ratio. Additionally, the Company entered into forward interest rate swap agreements which converted the LIBOR rates to fixed rates for these term loans beginning July 1, 2015 through their maturities. As a result, the effective fixed interest rates will be 2.9% for the five-year $50 million term loan and 3.4% for the seven-year $50 million term loan.

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 facility could result in the acceleration of the related debt. As of December 31, 2014, the Company is in compliance with all financial covenants.

Scheduled Principal Payments

Scheduled principal payments on mortgage loans payable, term loans, and the credit facility at December 31, 2014, due on various dates from 2015 to 2029, are as follows:

2015	$ 110,479,000	(a)
2016	133,018,000	
2017	62,923,000	
2018	20,158,000	
2019	149,037,000	(b)
Thereafter	189,773,000	(c)
	$ 665,388,000	

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(a) To be substantially refinanced with the proceeds from unsecured term loans which closed on February 5, 2015.
(b) As amended on February 5, 2015, includes $72.0 million applicable to the unsecured revolving credit facility, subject to a one-year extension option, originally due in 2016.
(c) As amended on February 5, 2015, includes $50.0 million applicable to a term loan originally due in 2018.

Derivative Financial Instruments

As discussed above, on February 11, 2014, the Company closed $150 million of unsecured term loans for which it entered into forward interest rate swap agreements, which became effective on July 1, 2014.

On May 29, 2014, the Company sold Townfair Center, which collateralized an $11.8 million mortgage loan payable subject to an interest rate swap having a fair value recorded as a liability of $0.7 million. At closing, the buyer assumed both the outstanding mortgage loan payable and the related interest rate swap, and the aforementioned $0.7 million was removed from both accumulated other comprehensive loss and accounts payable and accrued liabilities.

At December 31, 2014, the Company had $2,777,000 on the consolidated balance sheet included in accounts payable and accrued liabilities relating to the fair value of the interest rate swaps applicable to the $150 million unsecured term loans which closed on February 11, 2014. 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), noncontrolling interests (minority interests in consolidated joint ventures and 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 $2.7 million of accumulated other comprehensive loss will be reclassified as a charge to earnings within the next twelve months.

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The following is a summary of the derivative financial instruments held by the Company at December 31, 2014 and December 31, 2013:

			Notional values				Balance	Fair value	
esignation/Cash flow	Derivative	Count	December 31, 2014	Count	December 31, 2013	Maturity date	sheet location	December 31, 2014	December 2013
ualifying	Interest rate swaps	2	$ 150,000,000		$	2019/2021	Accounts payable and accrued liabilities	$ 2,777,000	$
ualifying	Interest rate swap		$	1	$ 11,894,000 (a)		Accounts payable and accrued liabilities	$	$ 647,00

(a) Amount is an interest rate swap related to mortgage loans payable - real estate held for sale/conveyance on the consolidated balance sheet.

The following presents the effect of the Company s derivative financial instruments on the consolidated statements of operations and the consolidated statements of equity 2014 and 2013, respectively:

		Gain (loss) recognized in other comprehensive income (effective portion) Years ended December 31,	
Designation/Cash flow	Derivative	2014	2013
Qualifying	Interest rate swaps	$ (3,650,000)	$ 202,000

Gain (loss) recognized in other comprehensive income reclassified into earnings (effective portion) Years ended December 31,

Classification	2014	2013
Continuing Operations	$ 1,663,000	$ 749,000
Discontinued Operations	$ 129,000	$ 309,000

As of December 31, 2014, the Company believes it has no significant risk associated with non-performance of the financial institutions which are the counterparties to its derivative contracts. Additionally, based on the rates in effect as of December 31, 2014, if a counterparty were to default, the Company would receive a net interest benefit.

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Note 11. Intangible Lease Asset/Liability

Unamortized intangible lease liabilities that relate to below-market leases amounted to $23.8 million and $26.9 million at December 31, 2014 and December 31, 2013, respectively. Unamortized intangible lease assets that relate to above-market leases amounted to $0.1 million and $0.2 million at December 31, 2014 and December 31, 2013, respectively.

The unamortized balance of intangible lease liabilities at December 31, 2014 is net of accumulated amortization of $46.5 million, and will be credited to future operations through 2080 as follows:

2015	$ 3,230,000
2016	2,722,000
2017	2,451,000
2018	2,198,000
2019	1,799,000
Thereafter	11,376,000
	$ 23,776,000

Note 12. Commitments and Contingencies

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

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

The Company s executive offices are located at 44 South Bayles Avenue, Port Washington, New York. The terms of the lease, which will expire in February 2020, provide for future minimum rents as follows: 2015 - $463,000, 2016 - $476,000, 2017 - $489,000, 2018 -

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$503,000, 2019 - $517,000 and 2020 - $86,000. In addition, several of the Company s properties and portions of several others are owned subject to operating leases which provide for annual payments subject, in certain cases, to cost-of-living, as follows: 2015 - $1.1 million, 2016 - $1.1 million, 2017 - $0.5 million, 2018 - $0.3 million, 2019 - $0.3 million, and thereafter - $10.1 million.

Rent expense was $1.3 million, $1.4 million and $1.4 million for 2014, 2013 and 2012, respectively.

Note 13. Shareholders Equity

Preferred Stock

The Company s 7.25% Series B Cumulative Redeemable Preferred Stock (Series B Preferred Stock) has a liquidation preference of $25.00 per share, has no stated maturity, is not convertible into any other security of the Company, and is redeemable at the Company s option beginning May 22, 2017 at a price of $25.00 per share plus accrued and unpaid distributions. On February 12, 2013, the Company concluded a public offering of 2,000,000 shares of its Series B Preferred Stock at $24.58 per share, and realized net proceeds, after offering expenses, of approximately $47.6 million. Also, on February 12, 2013, the underwriters exercised their over-allotment option to the extent of 300,000 additional shares of the Company s Series B Preferred Stock, and the Company realized additional net proceeds of $7.1 million. In addition, the Company has an at-the-market (ATM) equity program in which the Company may, from time to time, offer and sell additional shares of its Series B Preferred Stock. During 2013, the Company sold 221,000 shares of its Series B Preferred Stock under the ATM equity program at a weighted average price of $24.52 per share, and realized net proceeds, after offering expenses, of approximately $5.2 million. There were no transactions during 2014 under this program.

The Company s 8.875% Series A Cumulative Redeemable Preferred Stock (Series A Preferred Stock) had no stated maturity, was not convertible into any other security of the Company, and was redeemable at the Company s option at a price of $25.00 per share, plus accrued and unpaid distributions. On March 11, 2013, the Company redeemed the remaining 1,408,000 shares of its Series A Preferred Stock, for a total cash outlay of $35.4 million.

Common Stock

On January 13, 2014, the Company concluded a public offering of 6,900,000 shares of its common stock (including 900,000 shares relating to the exercise of an over-allotment option by the underwriters), and realized net proceeds, after offering expenses, of approximately $41.3 million.

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The Company has an at-the-market offering program under which it may offer and sell, from time-to-time, up to 10 million shares of its common stock. Through December 31, 2014, no shares had been sold under this program.

The Company has a Dividend Reinvestment and Direct Stock Purchase Plan (DRIP) which offers a convenient method for shareholders to invest cash dividends and/or make optional cash payments to purchase shares of the Company s common stock. Such purchases are at 100% of market value. There were no significant transactions under the DRIP during 2014 and 2013. At December 31, 2014, there remained 2,849,000 shares authorized under the DRIP.

On January 12, 2015, the Company concluded a public offering of 5,750,000 shares of its common stock (including 750,000 shares relating to the exercise of an over-allotment option by the underwriters), and realized net proceeds, after offering expenses, of approximately $41.9 million.

OP Units

On July 1, 2014, the Company redeemed 69,000 OP Units from one of its executive officers for a total cash outlay of $424,000, based on the market value of the Company s common stock. On October 10, 2014, the Company redeemed an additional 2,000 OP Units from a holder for a total cash outlay of $13,000.

During 2014 and 2013, holders of 51,000 and 3,000 OP Units, respectively, converted their holdings to shares of the Company s common stock.

During 2013, the Company redeemed 32,000 OP Units (including 30,000 mezzanine OP Units) for a total cash outlay of $170,000.

In connection with an acquisition of a shopping center in 2013 (see Note 3 Real Estate), the Operating Partnership issued 270,000 OP Units.

Dividends

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

	Years ended December 31,		
	2014	**2013**	**2012**
Common stock	$ 0.200	$ 0.200	$ 0.200
Cumulative Redeemable Preferred Stock:			
8.875% Series A	$	$	$ 2.219
7.250% Series B	$ 1.812	$ 1.812	$ 0.906

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At December 31, 2014 and 2013, there were $1.6 million and $1.6 million, respectively, of accrued preferred stock dividends.

On January 24, 2015, the Company s Board of Directors declared a dividend of $0.05 per share with respect to its common stock. At the same time, the Board declared a dividend of $0.453125 per share with respect to the Company s Series B Preferred Stock. The distributions are payable on February 20, 2015 to shareholders of record on February 10, 2015.

Note 14. Revenues

Rents for 2014, 2013 and 2012, respectively, are comprised of the following:

	Years ended December 31,		
	2014	**2013**	**2012**
Base rents	$ 110,739,000	$ 103,721,000	$ 96,897,000
Percentage rent	683,000	804,000	1,001,000
Straight-line rents	761,000	1,387,000	930,000
Amortization of intangible lease liabilities	4,322,000	4,441,000	5,359,000
Total rents	$ 116,505,000	$ 110,353,000	$ 104,187,000

Annual future base rents due to be received under non-cancelable operating leases in effect at December 31, 2014 are approximately as follows (excluding those base rents applicable to properties treated as discontinued operations):

2015	$ 106,034,000
2016	96,504,000
2017	85,264,000
2018	76,439,000
2019	63,524,000
Thereafter	301,207,000
	$ 728,972,000

Total future minimum rents do not include expense recoveries for real estate taxes and operating costs, or percentage rents based upon tenants sales volume. Such additional revenue amounts aggregated approximately $32.1 million, $29.5 million and $26.5 million for 2014, 2013 and 2012, respectively. Such amounts do not include amortization of intangible lease liabilities.

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Other

Other revenues include items which, although recurring, tend to fluctuate more than rental income from period to period, such as lease termination income. Other revenues in 2012 include lease termination income (approximately $3.0 million) and fees earned from the Cedar/RioCan joint venture in 2012 (approximately $2.8 million). The management agreement relating to the Cedar/RioCan joint venture properties terminated on January 31, 2013 (see Note 5 Investment in Cedar/RioCan Joint Venture).

Note 15. 401(k) Retirement Plan

The Company has a 401(k) retirement plan (the Plan), which permits all eligible employees to defer a portion of their compensation under the Code. Pursuant to the provisions of the Plan, the Company may make discretionary contributions on behalf of eligible employees. The Company made contributions to the Plan of $279,000, $244,000, and $253,000 for 2014, 2013, and 2012, respectively.

Note 16. Employee Termination Costs

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

Note 17. Share-Based Compensation

The following tables set forth certain share-based compensation information for 2014, 2013, and 2012, respectively:

	Years ended December 31,		
	2014	2013	2012
Expense relating to share grants (a)	$ 3,761,000	$ 4,108,000	$ 3,903,000
Adjustments to reflect changes in market price of Company s common stock			10,000
Amounts capitalized	(230,000)	(407,000)	(352,000)
Total charged to operations (b)	$ 3,531,000	$ 3,701,000	$ 3,561,000

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	Shares	Weighted average grant date value
Unvested shares, December 31, 2013	3,690,000	$ 4.89
Restricted share grants	133,000	6.32
Vested during period	(150,000)	5.80
Forfeitures/cancellations	(7,000)	4.39
Unvested shares, December 31, 2014	3,666,000	$ 4.90

(a) 2012 includes expense relating to equity and liability awards, as discussed below.
(b) 2012 includes $362,000 applicable to accelerated vestings that are included in employee termination costs.
The 2012 Plan authorizes 4.5 million shares to be available for grant and sets the maximum number of shares that may be granted to a participant in any calendar year at 500,000. At December 31, 2014, 1.6 million shares remained available for grants pursuant to the 2012 Plan and, at that date, there remained an aggregate of $8.6 million applicable to all grants and awards to be expensed over a weighted average period of 3.2 years.

During 2014, there were 133,000 time-based restricted shares granted, with a weighted average grant date fair value of $6.32 per share. During 2013, there were 584,000 time-based restricted shares granted with a weighted average grant date fair value of $5.65 per share. During 2012, in addition to shares issued to the Company s President and Chief Executive Officer, as discussed below, there were 698,000 other time-based restricted shares granted with a weighted average grant date fair value of $4.75 per share.

The total fair values of shares vested during 2014, 2013, and 2012 were $943,000, $1,863,000, and $2,126,000, respectively (the 2012 amount include $585,000, applicable to accelerated vestings).

In June 2011, the Company s President and Chief Executive Officer was to receive restricted share grants totaling 2.5 million shares as provided in his employment agreement, one-half of which to be time-based, vesting upon the seventh anniversary of the date of grant (vesting on June 15, 2018), and the other half to be performance-based, to be earned if the total annual return on an investment in the Company s common stock (TSR) is at least an average of 6.5%

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per year for the seven years ending June 15, 2018. An independent appraisal determined the value of the performance-based award to be $4.39 per share compared to a market price at the date of grant of $4.98 per share. As a result of a per-person limitation within the Company s prior stock incentive plan, only 500,000 shares had been issued through June 2012, 1.5 million shares had been accounted for as an equity award , and 500,000 shares had been accounted for as a liability award . The values of the equity and liability awards were expensed on a straight-line basis over the vesting period. As specifically provided in the 2012 Plan, the 2.0 million shares previously designated as equity and liability awards were issued, with the liability award being reclassified to equity. Consistent with such awards to other recipients, dividends have been paid on all the shares, including the equity and liability award shares, with the dividends paid on the equity award shares treated as distributions to common shareholders and included in the statement of equity, and the dividends paid on the liability award shares treated as compensation and included in the statement of operations. In addition, with respect to the liability award, adjustments to reflect changes in the fair value of the award (based on changes in the market price of the Company s common stock) were also charged to operations.

Note 18. Nonconcontrolling Interest Limited Partners Mezzanine OP Units

	December 31, 2014	2013
Balance, beginning of year	$ 414,000	$ 623,000
Net income (loss)	11,000	(2,000)
Unrealized (loss) on change in fair value of cash flow hedges	(2,000)	
Total other comprehensive income (loss)	9,000	(2,000)
Distributions	(12,000)	(14,000)
Redemptions of OP Units		(160,000)
Reallocation adjustment of limited partners interest	(15,000)	(33,000)
Balance, end of year	$ 396,000	$ 414,000

Note 19. Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing net income (loss) attributable to the Company s common shareholders by the weighted average number of common shares outstanding for the period including participating securities (restricted shares issued pursuant to the Company s share-based compensation program are considered participating securities, as

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such shares have non-forfeitable rights to receive dividends). Unvested restricted shares are not allocated net losses and/or any excess of dividends declared over net income, as such amounts are allocated entirely to the common shareholders. For 2014, 2013 and 2012, the Company had 3.7 million, 3.8 million and 3.3 million, respectively, of weighted average unvested restricted shares outstanding. The following table provides a reconciliation of the numerator and denominator of the EPS calculations for the 2014, 2013 and 2012, respectively:

	Years ended December 31,		
	2014	2013	2012
Numerator			
Income from continuing operations	$ 17,611,000	$ 4,519,000	$ 24,094,000
Preferred stock dividends	(14,408,000)	(14,413,000)	(14,819,000)
Preferred stock redemption costs		(1,166,000)	(4,998,000)
Net loss attributable to noncontrolling interests	358,000	247,000	375,000
Net earnings allocated to unvested shares	(734,000)	(758,000)	(806,000)
Income (loss) from continuing operations attributable to vested common shares	2,827,000	(11,571,000)	3,846,000
Income from discontinued operations, net of noncontrolling interests, attributable to vested common shares	11,012,000	9,682,000	5,237,000
Net income (loss) attributable to vested common shares outstanding	$ 13,839,000	$ (1,889,000)	$ 9,083,000
Denominator			
Weighted average number of vested common shares outstanding	75,311,000	68,381,000	68,017,000
Earnings (loss) per vested common share, basic and diluted			
Continuing operations	$ 0.04	$ (0.17)	$ 0.05
Discontinued operations	$ 0.14	$ 0.14	$ 0.08
	$ 0.18	$ (0.03)	$ 0.13

Fully-diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into shares of common stock. The net loss attributable to noncontrolling interests of the Operating Partnership has been excluded from the numerator and the related OP Units have been excluded from the denominator for the purpose of calculating diluted EPS as there would have been no effect had such amounts been included. The weighted average number of OP Units outstanding was 433,000, 297,000 and 459,000 for 2014, 2013 and 2012, respectively.

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2014

Note 20. Selected Quarterly Financial Data (unaudited)

	Quarter ended			
Year	**March 31**	**June 30**	**September 30**	**December 31**
2014				
Revenues as previously reported	$ 37,347,000	$ 37,069,000	$ 36,261,000	$ 36,665,000
Revenues from discontinued operations and reclassifications (a)	365,000	239,000	238,000	
Revenues	$ 37,712,000	$ 37,308,000	$ 36,499,000	$ 36,665,000
Net income	$ 1,710,000	$ 16,992,000	$ 5,709,000	$ 4,280,000
Net (loss) income attributable to common shareholders	$ (1,815,000)	$ 13,458,000	$ 2,183,000	$ 747,000
Per common share (basic and diluted) (b)	$ (0.03)	$ 0.17	$ 0.03	$ 0.01
2013				
Revenues as previously reported	$ 35,559,000	$ 33,921,000	$ 34,178,000	$ 35,166,000
Revenues from discontinued operations and reclassifications (a)	65,000	189,000	270,000	250,000
Revenues	$ 35,624,000	$ 34,110,000	$ 34,448,000	$ 35,416,000
Net income	$ 3,852,000	$ 4,486,000	$ 62,000	$ 5,802,000
Net (loss) income attributable to common shareholders	$ (912,000)	$ 977,000	$ (3,479,000)	$ 2,283,000
Per common share (basic and diluted) (b)	$ (0.02)	$ 0.01	$ (0.05)	$ 0.03

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

Note 21. Subsequent Events

In determining subsequent events, management reviewed all activity from January 1, 2015 through the date of filing this Annual Report on Form 10-K.

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Cedar Realty Trust, Inc.

Schedule III

Real Estate and Accumulated Depreciation

Year ended December 31, 2014

Property	State	Year acquired	Percent owned	Year built/ Year last renovated	Gross leasable area	Initial cost to the Company Land	Building and Improvements
Academy Plaza	PA	2001	100%	1965/2013	137,415	$ 2,406,000	$ 9,623,000
Big Y Shopping Center	CT	2013	100%	2007	101,105	11,272,000	23,395,000
Camp Hill	PA	2002	100%	1958/2005	461,560	4,460,000	17,857,000
Carll s Corner	NJ	2007	100%	1960 s-1999	129,582	3,034,000	15,293,000
Carmans Plaza	NY	2007	100%	1954/2007	194,082	8,539,000	35,804,000
Coliseum Marketplace	VA	2005	100%	1987/2012	106,648	2,924,000	14,416,000
Colonial Commons	PA	2011	100%	2011/2013	461,914	9,367,000	37,496,000
Crossroads II	PA	2008	60%	2009	133,717	15,383,000	
Elmhurst Square	VA	2006	100%	1961-1983	66,250	1,371,000	5,994,000
Fairview Commons	PA	2007	100%	1976/2003	42,314	858,000	3,568,000
Fieldstone Marketplace	MA	2005/2012	100%	1988/2003	193,970	5,229,000	21,440,000
Fort Washington Center	PA	2002	100%	2003	41,000	2,462,000	
Franklin Village Plaza	MA	2004/2012	100%	1987/2005	303,085	14,270,000	61,915,000
Fredericksburg Way	VA	2005	100%	1997	63,000	3,213,000	12,758,000
General Booth Plaza	VA	2005	100%	1985	71,639	1,935,000	9,493,000
Glen Allen Shopping Center	VA	2005	100%	2000	63,328	6,769,000	683,000
Gold Star Plaza	PA	2006	100%	1988	71,720	1,644,000	6,519,000
Golden Triangle	PA	2003	100%	1960/2005	202,943	2,320,000	9,713,000
Groton Shopping Center	CT	2007	100%	1969	117,186	3,070,000	12,320,000
Halifax Plaza	PA	2003	100%	1994	51,510	1,412,000	5,799,000
Hamburg Square	PA	2004	100%	1993/2010	99,580	1,153,000	4,678,000
Jordan Lane	CT	2005	100%	1969/1991	177,504	4,291,000	21,176,000
Kempsville Crossing	VA	2005	100%	1985/2013	79,512	2,207,000	11,000,000
Kenley Village	MD	2005	100%	1988	51,894	726,000	3,512,000
Kings Plaza	MA	2007	100%	1970/1994	168,243	2,413,000	12,604,000
Maxatawny Marketplace	PA	2011	100%	2014	58,339	1,612,000	
Meadows Marketplace	PA	2004/2012	100%	2005	91,518	1,914,000	
Mechanicsburg Giant	PA	2005	100%	2003	51,500	2,709,000	12,159,000
Metro Square	MD	2008	100%	1999	71,896	3,121,000	12,341,000
Newport Plaza	PA	2003	100%	1996	64,489	1,721,000	7,758,000
New London Mall	CT	2009	40%	1967/1997	259,566	14,891,000	24,967,000
Northside Commons	PA	2008	100%	2009	69,136	3,332,000	

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Cedar Realty Trust, Inc.

Schedule III

Real Estate and Accumulated Depreciation

Year ended December 31, 2014

(continued)	**Subsequent**	**Gross amount at which carried at December 31, 2014**				
Property	**cost capitalized**	**Land**	**Building and improvements**	**Total**	**Accumulated depreciation (3)**	**Amount of Encumbrance**
Academy Plaza	$ 3,841,000	$ 2,406,000	$ 13,464,000	$ 15,870,000	$ 4,089,000	
Big Y Shopping Center		11,272,000	23,395,000	34,667,000	987,000	
Camp Hill	43,688,000	4,424,000	61,581,000	66,005,000	16,326,000	62,464,000
Carll s Corner	(954,000)	2,898,000	14,475,000	17,373,000	3,649,000	
Carmans Plaza	(203,000)	8,421,000	35,719,000	44,140,000	8,397,000	33,460,000
Coliseum Marketplace	5,424,000	3,586,000	19,178,000	22,764,000	5,332,000	
Colonial Commons	3,342,000	9,367,000	40,838,000	50,205,000	6,792,000	26,267,000
Crossroads II	28,778,000	17,671,000	26,490,000	44,161,000	3,673,000	
Elmhurst Square	730,000	1,371,000	6,724,000	8,095,000	1,814,000	
Fairview Commons	3,000	858,000	3,571,000	4,429,000	965,000	
Fieldstone Marketplace	646,000	5,167,000	22,148,000	27,315,000	6,394,000	
Fort Washington Center	5,176,000	2,462,000	5,176,000	7,638,000	1,710,000	
Franklin Village Plaza	953,000	14,681,000	62,457,000	77,138,000	5,658,000	41,979,000
Fredericksburg Way		3,213,000	12,758,000	15,971,000	3,386,000	
General Booth Plaza	347,000	1,935,000	9,840,000	11,775,000	3,337,000	
Glen Allen Shopping Center	3,000	5,367,000	2,088,000	7,455,000	646,000	
Gold Star Plaza	410,000	1,644,000	6,929,000	8,573,000	2,038,000	1,302,000
Golden Triangle	9,935,000	2,320,000	19,648,000	21,968,000	6,949,000	19,320,000
Groton Shopping Center	419,000	3,073,000	12,736,000	15,809,000	3,328,000	11,015,000
Halifax Plaza	247,000	1,347,000	6,111,000	7,458,000	1,917,000	
Hamburg Square	5,511,000	1,153,000	10,189,000	11,342,000	2,578,000	4,732,000
Jordan Lane	1,319,000	4,291,000	22,495,000	26,786,000	6,439,000	11,851,000
Kempsville Crossing	(1,437,000)	2,207,000	9,563,000	11,770,000	3,828,000	
Kenley Village	361,000	726,000	3,873,000	4,599,000	1,379,000	
Kings Plaza	413,000	2,408,000	13,022,000	15,430,000	3,288,000	

Maxatawny Marketplace	8,821,000	1,454,000	8,979,000	10,433,000	383,000	
Meadows Marketplace	11,407,000	1,914,000	11,407,000	13,321,000	2,571,000	9,432,000
Mechanicsburg Giant		2,709,000	12,159,000	14,868,000	3,136,000	
Metro Square	(301,000)	5,250,000	9,911,000	15,161,000	1,892,000	8,005,000
Newport Plaza	399,000	1,682,000	8,196,000	9,878,000	2,436,000	
New London Mall	1,146,000	8,807,000	32,197,000	41,004,000	8,390,000	27,291,000
Northside Commons	10,012,000	3,379,000	9,965,000	13,344,000	1,320,000	

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Cedar Realty Trust, Inc.

Schedule III

Real Estate and Accumulated Depreciation

Year ended December 31, 2014

(continued)

Property	State	Year acquired	Percent owned	Year built/ Year last renovated	Gross leasable area	Initial cost to the Company Land	Initial cost to the Company Building and Improvements
Norwood Shopping Center	MA	2006	100%	1965/2013	102,459	$ 1,874,000	$ 8,453,000
Oak Ridge Shopping Center	VA	2006	100%	2000	38,700	960,000	4,254,000
Oakland Commons	CT	2007	100%	1962/2013	90,100	2,504,000	15,662,000
Oakland Mills	MD	2005	100%	1960 s/2004	58,224	1,611,000	6,292,000
Palmyra Shopping Center	PA	2005	100%	1960/2012	111,051	1,488,000	6,566,000
Pine Grove Plaza	NJ	2003	100%	2001/2002	86,089	2,010,000	6,489,000
Port Richmond Village	PA	2001	100%	1988	154,908	2,942,000	11,769,000
Quartermaster Plaza	PA	2014	100%	2004	456,364	37,031,000	54,210,000
River View Plaza	PA	2003	100%	1991/1998	226,786	9,718,000	40,356,000
San Souci Plaza	MD	2009	40%	1985 - 1997	264,134	14,849,000	18,445,000
South Philadelphia	PA	2003	100%	1950/2003	283,415	8,222,000	36,314,000
Southington Center	CT	2003	100%	1972/2000	155,842		11,834,000
Suffolk Plaza	VA	2005	100%	1984	67,216	1,402,000	7,236,000
Swede Square	PA	2003	100%	1980/2012	100,816	2,268,000	6,232,000
The Brickyard	CT	2004	100%	1990/2012	227,193	7,632,000	29,308,000
The Commons	PA	2004	100%	2003	203,426	3,098,000	14,047,000
The Point	PA	2000	100%	1972/2012	268,037	2,700,000	10,800,000
The Shops at Suffolk Downs	MA	2005	100%	2005/2011	121,320	7,580,000	11,089,000
Timpany Plaza	MA	2007	100%	1970 s-1989	183,775	3,412,000	19,240,000
Trexler Mall	PA	2005	100%	1973/2013	339,279	6,932,000	32,815,000
Trexlertown Plaza	PA	2006	100%	1990/2011	313,929	13,349,000	23,867,000
Upland Square	PA	2007/2013	100%	2009	394,598	28,187,000	
Valley Plaza	MD	2003	100%	1975/1994	190,939	1,950,000	7,766,000
Washington Center Shoppes	NJ	2001	100%	1979/1995	157,394	2,061,000	7,314,000
Webster Plaza	MA	2007	100%	1960 s-2004	101,824	3,551,000	18,412,000
West Bridgewater Plaza	MA	2007	100%	1970/2007	133,039	2,823,000	14,901,000
Yorktowne Plaza	MD	2007	100%	1970/2000	158,982	5,940,000	25,505,000
Land parcels	PA	n/a	100%	n/a		1,965,000	

Total Portfolio	9,246,984	$ 320,087,000	$ 863,457,000

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Cedar Realty Trust, Inc.

Schedule III

Real Estate and Accumulated Depreciation

Year ended December 31, 2014

(continued)	**Subsequent**	**Gross amount at which carried at December 31, 2014**				
Property	**cost capitalized**	**Land**	**Building and improvements**	**Total**	**Accumulated depreciation (3)**	**Amount of Encumbrance**
Norwood Shopping Center	$ 1,640,000	$ 1,874,000	$ 10,093,000	$ 11,967,000	$ 2,735,000	
Oak Ridge Shopping Center	45,000	960,000	4,299,000	5,259,000	1,079,000	3,166,000
Oakland Commons	(233,000)	2,504,000	15,429,000	17,933,000	3,739,000	
Oakland Mills	41,000	1,611,000	6,333,000	7,944,000	2,051,000	4,457,000
Palmyra Shopping Center	1,394,000	1,488,000	7,960,000	9,448,000	2,321,000	
Pine Grove Plaza	476,000	2,010,000	6,965,000	8,975,000	1,978,000	5,197,000
Port Richmond Village	1,408,000	2,843,000	13,276,000	16,119,000	4,517,000	
Quartermaster Plaza	79,000	37,031,000	54,289,000	91,320,000	1,436,000	41,786,000
River View Plaza	4,987,000	9,718,000	45,343,000	55,061,000	13,310,000	
San Souci Plaza	1,947,000	13,406,000	21,835,000	35,241,000	7,638,000	27,200,000
South Philadelphia	2,779,000	8,222,000	39,093,000	47,315,000	13,469,000	
Southington Center	193,000		12,027,000	12,027,000	3,411,000	5,209,000
Suffolk Plaza	23,000	1,402,000	7,259,000	8,661,000	2,720,000	
Swede Square	5,701,000	2,272,000	11,929,000	14,201,000	4,281,000	9,999,000
The Brickyard	1,576,000	7,648,000	30,868,000	38,516,000	8,317,000	

The Commons	2,934,000	3,098,000	16,981,000	20,079,000	5,383,000	
The Point	14,670,000	2,996,000	25,174,000	28,170,000	7,905,000	29,001,000
The Shops at Suffolk Downs	9,439,000	7,580,000	20,528,000	28,108,000	4,326,000	
Timpany Plaza	1,343,000	3,368,000	20,627,000	23,995,000	4,545,000	
Trexler Mall	6,312,000	6,932,000	39,127,000	46,059,000	9,808,000	
Trexlertown Plaza	25,177,000	13,351,000	49,042,000	62,393,000	7,266,000	
Upland Square	66,757,000	25,783,000	69,161,000	94,944,000	9,331,000	
Valley Plaza	1,102,000	1,950,000	8,868,000	10,818,000	2,709,000	
Washington Center Shoppes	4,056,000	2,000,000	11,431,000	13,431,000	4,114,000	
Webster Plaza	(211,000)	4,082,000	17,670,000	21,752,000	3,948,000	
West Bridgewater Plaza	(809,000)	2,596,000	14,319,000	16,915,000	3,336,000	10,255,000
Yorktowne Plaza	451,000	5,799,000	26,097,000	31,896,000	6,511,000	
Land parcels	(1,084,000)	881,000		881,000		
Total Portfolio	$ 292,629,000	$ 312,868,000	$ 1,163,305,000	$ 1,476,173,000	$ 267,211,000	$ 393,388,000

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Cedar Realty Trust, Inc.

Schedule III

Real Estate and Accumulated Depreciation

Year ended December 31, 2014

(continued)

The changes in real estate and accumulated depreciation for the three years ended December 31, 2014 are as follows (1):

Cost	**2014**	**2013**	**2012**
Balance, beginning of the year	$ 1,450,951,000	$ 1,423,979,000	$ 1,321,083,000
Properties held for sale	(81,223,000)		
Properties acquired	91,241,000	34,666,000	76,185,000
Properties sold		(1,351,000)	
Impairments	(6,000)	(928,000)	(332,000)
Improvements and betterments	15,210,000	13,581,000	27,142,000
Write-off fully-depreciated assets		(18,996,000)	(99,000)
Balance, end of the year	$ 1,476,173,000 (2)	$ 1,450,951,000	$ 1,423,979,000
Accumulated depreciation			
Balance, beginning of the year	$ 251,605,000	$ 229,535,000	$ 189,608,000
Properties held for sale	(18,523,000)		
Depreciation expense (3)	34,129,000	41,066,000	40,026,000
Write-off fully-depreciated assets		(18,996,000)	(99,000)
Balance, end of the year	$ 267,211,000	$ 251,605,000	$ 229,535,000
Net book value	$ 1,208,962,000	$ 1,199,346,000	$ 1,194,444,000

(1) Restated to reflect reclassifications of certain properties previously treated as real estate held for sale/conveyance to real estate held for use .

(2) At December 31, 2014, the aggregate cost for federal income tax purposes was approximately $3.6 million less

than the Company s recorded values.

(3) Depreciation is provided over the estimated useful lives of the buildings and improvements, which range from 3 to 40 years.

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

None

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures and internal controls designed to ensure that information required to be disclosed in its filings under the Securities Exchange Act of 1934 is reported within the time periods specified in the rules and regulations of the Securities and Exchange Commission (SEC). In this regard, the Company has formed a Disclosure Committee currently comprised of several of the Company s executive officers as well as certain other employees with knowledge of information that may be considered in the SEC reporting process. The Committee has responsibility for the development and assessment of the financial and non-financial information to be included in the reports filed with the SEC, and assists the Company s Chief Executive Officer and Chief Financial Officer in connection with their certifications contained in the Company s SEC filings. The Committee meets regularly and reports to the Audit Committee on a quarterly or more frequent basis. The Company s principal executive and financial officers have evaluated its disclosure controls and procedures as of December 31, 2014, and have determined that such disclosure controls and procedures are effective.

There have been no changes in the internal controls over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, these internal controls over financial reporting during the last quarter of 2014.

Management Report on Internal Control Over Financial Reporting

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

The Company s management assessed the effectiveness of the Company s internal control over financial reporting as of December 31, 2014. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control 2013 Integrated Framework . Based on such assessment, management believes that, as of December 31, 2014, the Company s internal control over financial reporting is effective based on those criteria.

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

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of

Cedar Realty Trust, Inc.

We have audited Cedar Realty Trust, Inc. s (the Company) internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Cedar Realty Trust, Inc. s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Item 9A. Controls and Procedures Management Report on Internal Control Over Financial Reporting . Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

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

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

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

In our opinion, Cedar Realty Trust, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Cedar Realty Trust, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2014 of Cedar Realty Trust, Inc. and our report dated February 19, 2015 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
February 19, 2015

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Part III.

Item 10. Directors, Executive Officers and Corporate Governance

This item is incorporated by reference to the definitive proxy statement for the 2015 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

Item 11. Executive Compensation

This item is incorporated by reference to the definitive proxy statement for the 2015 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

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

This item is incorporated by reference to the definitive proxy statement for the 2015 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

Item 13. Certain Relationships and Related Transactions and Director Independence

This item is incorporated by reference to the definitive proxy statement for the 2015 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

Item 14. Principal Accountant Fees and Services

This item is incorporated by reference to the definitive proxy statement for the 2015 Annual Meeting of Shareholders, to be filed pursuant to Regulation 14A.

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Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements

The response to this portion of Item 15 is included in Item 8 of this report.

2. Financial Statement Schedules

The response to this portion of Item 15 is included in Item 8 of this report.

3. Exhibits

Item	Title or Description
3.1	Articles of Incorporation of Cedar Realty Trust, Inc., including all amendments and articles supplementary previously filed, incorporated by reference to Exhibit 3.1 of Form 10-K for the year ended December 31, 2013.
3.2	By-laws of Cedar Realty Trust, Inc., including all amendments previously filed, incorporated by reference to Exhibit 3.2 of Form 10-K for the year ended December 31, 2011.
3.3.a	Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.4 of the Registration Statement on Form S-11 filed on August 20, 2003, as amended.
3.3.b	Amendment No. 1 to Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.5 of the Registration Statement on Form S-11 filed on August 20, 2003, as amended.
3.3.c	Amendment No. 2 to Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.3.c of Form 10-K for the year ended December 31, 2004.
3.3.d	Amendment No. 3 to Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.3.d of Form 10-K for the year ended December 31, 2006.
3.3.e	Amendment No. 4 to Agreement of Limited Partnership of Cedar Shopping Centers Partnership, L.P., incorporated by reference to Exhibit 3.2 of Form 10-Q for the quarterly period ended September 30, 2010.
3.3.f	Amendment No. 5 to Agreement of Limited Partnership of Cedar Realty Trust Partnership, L.P., incorporated by reference to Exhibit 3.2 of Form 8-K filed on May 16, 2012.
3.3.g	Amendment No. 6 to Agreement of Limited Partnership of Cedar Realty Trust Partnership, L.P., incorporated by reference to Exhibit 3.2 of Form 8-K filed on May 29, 2012.
3.3.h	Amendment No. 7 to Agreement of Limited Partnership of Cedar Realty Trust Partnership, L.P., incorporated by reference to Exhibit 3.2 of Form 8-K filed on September 14, 2012.

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

10.2.g*	Amendment No. 6 to the 2005 Cedar Realty Trust, Inc. Deferred Compensation Plan, effective as of December 12, 2012, incorporated by reference to Exhibit 10.2.g of Form 10-K for the year ended December 31, 2012.

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10.2.h*	Amendment No. 7 to the 2005 Cedar Realty Trust, Inc. Deferred Compensation Plan, effective as of December 24, 2013, incorporated by reference to Exhibit 10.2.h of Form 10-K for the year ended December 31, 2013.
10.3.a*	Employment Agreement between Cedar Shopping Centers, Inc. and Philip R. Mays, dated as of May 24, 2011, incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarterly period ended June 30, 2011.
10.3.b*	Employment Agreement between Cedar Shopping Centers, Inc. and Bruce J. Schanzer, dated as of May 31, 2011, incorporated by reference to Exhibit 10.2 of Form 10-Q for the quarterly period ended June 30, 2011.
10.3.c*	Second Amended And Restated Employment Agreement between Cedar Realty Trust, Inc. and Brenda J. Walker, dated as of October 19, 2012, incorporated by reference to Exhibit 10.3.c of Form 10-K for the year ended December 31, 2012.
10.3.d*	Second Amended And Restated Employment Agreement between Cedar Realty Trust, Inc. and Nancy Mozzachio, dated as of October 19, 2012.
10.4.a	Third Amended and Restated Loan Agreement (the Loan Agreement) by and among Cedar Realty Trust Partnership, L.P., KeyBank National Association and other lending institutions which are or may become parties to the Loan Agreement, and KeyBank National Association (as Administrative Agent), dated as of February 5, 2015.
10.4.b	Amended and Restated Loan Agreement (the Loan Agreement) by and among Cedar Realty Trust Partnership, L.P., KeyBank National Association and other lending institutions which are or may become parties to the Loan Agreement, and KeyBank National Association (as Administrative Agent), dated as of February 5, 2015.
10.6	Voting Agreement dated February 13, 2008 among Cedar Shopping Centers, Inc., Inland American Real Estate Trust, Inc., Inland Investment Advisors, Inc. Inland Real Estate Investment Corporation and The Inland Group, Inc., incorporated by reference to Exhibit 10.11 of Form 10-K for the year ended December 31, 2007.
10.7.a	Agreement Regarding Purchase of Partnership Interests By And Between Cedar Realty Trust Partnership, L.P., Cedar RCP LP LLC, And Cedar RCP GP LLC, as sellers, And RioCan Holdings USA Inc., as purchaser, dated September 6, 2012, incorporated by reference to Exhibit 1.1 of Form 8-K filed on September 7, 2012.
10.7.b	Agreement Regarding Purchase Of Interests (Franklin) By And Between RC Cedar REIT Property Subsidiary LP And Cedar Realty Trust Partnership, L.P. And RC Cedar REIT LP And RioCan Holdings USA Inc., dated as of September 6, 2012, incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarterly period ended September 30, 2012.
21.1	List of Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
31.1	Section 302 Chief Executive Officer Certification
31.2	Section 302 Chief Financial Officer Certification
32.1	Section 906 Chief Executive Officer Certification
32.2	Section 906 Chief Financial Officer Certification

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

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

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

(c) The following financial statement schedules are filed as part of the report:
The response to this portion of Item 15 is included in Item 15(a)(2) above.

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SIGNATURES

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

CEDAR REALTY TRUST, INC.

/s/ BRUCE J. SCHANZER
Bruce J. Schanzer
President
(principal executive officer)

/s/ PHILIP R. MAYS
Philip R. Mays
Chief Financial Officer
(principal financial officer)

/s/ GASPARE J. SAITTA, II
Gaspare J. Saitta, II
Chief Accounting Officer
(principal accounting officer)
February 19, 2015

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

/s/ JAMES J. BURNS
James J. Burns
Director

/s/ PAMELA N. HOOTKIN
Pamela N. Hootkin
Director

/s/ PAUL G. KIRK, JR
Paul G. Kirk, Jr.
Director

/s/ EVERETT B. MILLER, III
Everett B. Miller, III
Director

/s/ BRUCE J. SCHANZER
Bruce J. Schanzer
Director
February 19, 2015

/s/ ROGER M. WIDMANN
Roger M. Widmann
Director