CEDAR REALTY TRUST, INC.
Form 10-K
February 25, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2013

OR

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

COMMISSION FILE NUMBER: 001-31817

CEDAR REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland	**42-1241468**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
44 South Bayles Avenue, Port Washington, NY	**11050-3765**
(Address of principal executive offices)	**(Zip Code)**

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

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

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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

Large accelerated filer ¨ Accelerated filer x

Non-accelerated filer ¨ (Do not check if a smaller reporting company) Smaller reporting company ¨

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

Based on the closing sales price on June 30, 2013 of $5.18 per share, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $354,746,000.

The number of shares outstanding of the registrant s Common Stock $.06 par value was 79,166,226 on February 20, 2014.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant s definitive proxy statement relating to its 2014 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Part I.

Items 1 and 2. Business and Properties

General

Cedar Realty Trust, Inc. (the Company), organized in 1984, is a fully-integrated real estate investment trust that focuses primarily on ownership and operation of grocery-anchored shopping centers straddling the Washington DC to Boston corridor. At December 31, 2013, the Company owned and managed a portfolio of 65 operating properties (excluding properties held for sale/conveyance) totaling approximately 9.4 million square feet of gross leasable area (GLA). The portfolio was 92.6% occupied and 93.6% leased at December 31, 2013.

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

The Company, organized as a Maryland corporation, has established an umbrella partnership structure through the contribution of substantially all of its assets to Cedar Realty Trust Partnership L.P. (the Operating Partnership), organized as a limited partnership under the laws of Delaware. The Company conducts substantially all of its business through the Operating Partnership. At December 31, 2013, the Company owned 99.3% of the Operating Partnership and is its sole general partner. The approximately 516,000 limited Operating Partnership Units (OP Units) are economically equivalent to the Company s common stock and are convertible into the Company s common stock at the option of the holders on a one-to-one basis.

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

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

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The Company s Properties

Consolidated Portfolio

The following tables summarize information relating to the Company s consolidated portfolio as of December 31, 2013:

State	Number of properties	GLA	Percentage of GLA
Pennsylvania	28	4,738,325	50.5%
Massachusetts	8	1,308,091	13.9%
Connecticut	7	1,138,899	12.1%
Maryland	7	835,972	8.9%
Virginia	11	802,124	8.5%
New Jersey	3	373,065	4.0%
New York	1	194,082	2.1%
Total consolidated portfolio	65	9,390,558	100.0%

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Tenant Concentration

Tenant	Number of stores	GLA	% of GLA	Annualized base rent	Annualized base rent per sq. ft.	Percentage annualized base rents
Top twenty tenants (a):						
Giant Foods	13	848,000	9.0%	$ 12,759,000	$ 15.05	11.9%
LA Fitness	7	282,000	3.0%	4,574,000	16.22	4.3%
Farm Fresh	6	307,000	3.3%	3,290,000	10.72	3.1%
Stop & Shop	4	271,000	2.9%	2,805,000	10.35	2.6%
Dollar Tree	22	208,000	2.2%	2,183,000	10.50	2.0%
Food Lion	7	243,000	2.6%	1,925,000	7.92	1.8%
Shop Rite	2	118,000	1.3%	1,744,000	14.78	1.6%
Staples	5	104,000	1.1%	1,729,000	16.63	1.6%
Redner s	4	207,000	2.2%	1,514,000	7.31	1.4%
United Artists	1	78,000	0.8%	1,425,000	18.27	1.3%
Big Y	1	64,000	0.7%	1,404,000	21.94	1.3%
Shaw s	2	125,000	1.3%	1,389,000	11.11	1.3%
Shoppers Food Warehouse	2	120,000	1.3%	1,237,000	10.31	1.2%
Ukrop s Supermarket	1	63,000	0.7%	1,163,000	18.46	1.1%
Kohl s	2	149,000	1.6%	1,113,000	7.47	1.0%
Marshalls	5	143,000	1.5%	1,111,000	7.77	1.0%
Carmike Cinema	1	45,000	0.5%	1,034,000	22.98	1.0%
TJ Maxx	4	106,000	1.1%	1,007,000	9.50	0.9%
Walmart	2	150,000	1.6%	838,000	5.59	0.8%
Dick s Sporting Goods	1	56,000	0.6%	812,000	14.50	0.8%
Sub-total top twenty tenants	92	3,687,000	39.3%	45,056,000	12.22	42.1%
Remaining tenants	807	5,010,000	53.3%	62,040,000	12.38	57.9%
Sub-total all tenants (b)	899	8,697,000	92.6%	$ 107,096,000	$ 12.31	100.0%
Vacant space	N/A	694,000	7.4%			
Total	899	9,391,000	100.0%			

(a) Several of the tenants listed above share common ownership with other tenants: (1) Giant Foods and Stop & Shop, (2) Farm Fresh, Shoppers Food Warehouse, and Shop n Save (GLA of 53,000; annualized base rent of $120,000), (3) Marshalls, TJ Maxx and Home Goods (GLA of 51,000; annualized base rent of $583,000), and (4) Shaw s and Acme Markets (GLA of 172,000; annualized base rent of $781,000).

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

	GLA	% of GLA	Annualized base rent	Annualized base rent per sq. ft.	Percentage annualized base rents
Large tenants	6,099,000	70.1%	$ 62,628,000	$ 10.27	58.5%
Small tenants	2,598,000	29.9%	44,468,000	17.12	41.5%
Total	8,697,000	100.0%	$ 107,096,000	$ 12.31	100.0%

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Lease Expirations

Year of lease expiration	Number of leases expiring	GLA expiring	Percentage of GLA expiring	Annualized expiring base rents	Annualized expiring base rent per sq. ft.	Percentage of annualized expiring base rents
Month-To-Month	42	138,000	1.6%	1,788,000	$ 12.96	1.7%
2014	124	674,000	7.7%	7,452,000	$ 11.06	7.0%
2015	143	1,115,000	12.8%	12,684,000	$ 11.38	11.8%
2016	130	903,000	10.4%	10,512,000	$ 11.64	9.8%
2017	119	925,000	10.6%	12,396,000	$ 13.40	11.6%
2018	104	814,000	9.4%	11,580,000	$ 14.23	10.8%
2019	60	850,000	9.8%	8,580,000	$ 10.09	8.0%
2020	39	943,000	10.8%	8,868,000	$ 9.40	8.3%
2021	37	442,000	5.1%	6,432,000	$ 14.55	6.0%
2022	23	148,000	1.7%	2,160,000	$ 14.59	2.0%
2023	25	235,000	2.7%	3,336,000	$ 14.20	3.1%
2024	16	303,000	3.5%	4,140,000	$ 13.66	3.9%
Thereafter	37	1,207,000	13.9%	17,168,000	$ 14.22	16.0%
All tenants	899	8,697,000	100.0%	$ 107,096,000	$ 12.31	100.0%
Vacant space	N/A	694,000	N/A			
Total portfolio	899	9,391,000	N/A			

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Real Estate Summary

Property description	Percent owned	Year acquired	GLA	Percent occupied	Average base rent per sq. ft. (a)	Major tenants (b)
Connecticut						
Big Y Shopping Center	100%	2013	101,105	100.0%	$ 22.69	Big Y
Groton Shopping Center	100%	2007	117,186	82.3%	11.74	TJ Maxx
Jordan Lane	100%	2005	177,504	99.2%	10.98	Stop & Shop
						CW Price
						Retro Fitness
New London Mall	40%	2009	259,566	94.8%	14.55	Shop Rite
						Marshalls
						Home Goods
						Petsmart
						A.C. Moore
Oakland Commons	100%	2007	90,100	100.0%	6.37	Walmart
						Bristol Ten Pin
Southington Center	100%	2003	155,842	98.5%	6.99	Walmart
						NAMCO
The Brickyard	100%	2004	237,596	72.1%	7.74	Home Depot
						Kohl s
Total Connecticut			**1,138,899**	**90.8%**	**11.52**	
Maryland						
Kenley Village	100%	2005	51,894	73.7%	8.88	Food Lion
Metro Square	100%	2008	71,896	100.0%	19.06	Shoppers Food Warehouse
Oakland Mills	100%	2005	58,224	100.0%	13.72	Food Lion
San Souci Plaza	40%	2009	264,134	79.5%	10.22	Shoppers Food Warehouse
						Marshalls
						Maximum Health and Fitness
St. James Square	100%	2005	39,903	100.0%	11.53	Food Lion
Valley Plaza	100%	2003	190,939	100.0%	4.98	K-Mart
						Ollie s Bargain Outlet
						Tractor Supply
Yorktowne Plaza	100%	2007	158,982	93.8%	13.49	Food Lion
Total Maryland			**835,972**	**90.7%**	**10.65**	
Massachusetts						
Fieldstone Marketplace	100%	2005/2012	193,970	95.2%	10.46	Shaw s
						Flagship Cinema

						New Bedford Wine and Spirits
Franklin Village Plaza	100%	2004/2012	303,461	93.9%	20.28	Stop & Shop
						Marshalls
						Team Fitness

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Property description	Percent owned	Year acquired	GLA	Percent occupied	Average base rent per sq. ft. (a)	Major tenants (b)
Massachusetts (continued)						
Kings Plaza	100%	2007	168,243	93.6%	6.23	Work Out World
						CW Price
						Ocean State Job Lot
						Savers
Norwood Shopping Center	100%	2006	102,459	98.2%	8.92	Hannaford Brothers
						Planet Fitness
						Dollar Tree
The Shops at Suffolk Downs	100%	2005	121,320	97.5%	12.78	Stop & Shop
Timpany Plaza	100%	2007	183,775	98.1%	6.98	Stop & Shop
						Big Lots
						Gardner Theater
Webster Plaza (f/k/a Price Chopper Plaza)	100%	2007	101,824	80.0%	10.92	Price Chopper
West Bridgewater Plaza	100%	2007	133,039	87.7%	9.45	Shaw s
						Big Lots
						Planet Fitness
Total Massachusetts			**1,308,091**	**93.6%**	**11.72**	
New Jersey						
Carll s Corner	100%	2007	129,582	84.7%	8.68	Acme Markets
						Peebles
Pine Grove Plaza	100%	2003	86,089	90.2%	11.04	Peebles
Washington Center Shoppes	100%	2001	157,394	94.2%	9.07	Acme Markets
						Planet Fitness
Total New Jersey			**373,065**	**90.0%**	**9.40**	
New York						
Carman s Plaza	100%	2007	**194,082**	**91.8%**	**17.48**	Pathmark
						Extreme Fitness
						Home Goods
						Department of Motor Vehicle
Pennsylvania						
Academy Plaza	100%	2001	137,592	91.2%	14.09	Acme Markets
Camp Hill	100%	2002	470,117	99.3%	13.70	Boscov s
						Giant Foods
						LA Fitness
						Orthopedic Inst of PA
						Barnes & Noble
						Staples

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Property description	Percent owned	Year acquired	GLA	Percent occupied	Average base rent per sq. ft. (a)	Major tenants (b)
Pennsylvania (continued)						
Carbondale Plaza	100%	2004	120,689	95.4%	7.14	Weis Markets
						Peebles
Circle Plaza	100%	2007	92,171	100.0%	2.74	K-Mart
Colonial Commons	100%	2011	461,905	90.8%	13.22	Giant Foods
						Dick s Sporting Goods
						LA Fitness
						Ross Dress For Less
						Marshalls
						JoAnn Fabrics
						David s Furniture
						Office Max
						Old Navy
Crossroads II	60%	2008	133,717	93.0%	20.14	Giant Foods
Fairview Commons	100%	2007	42,314	53.3%	10.08	Family Dollar
Fairview Plaza	100%	2003	71,979	100.0%	12.45	Giant Foods
Fort Washington Center	100%	2002	41,000	100.0%	19.90	LA Fitness
Gold Star Plaza	100%	2006	71,720	82.2%	8.91	Redner s
Golden Triangle	100%	2003	202,943	98.2%	12.89	LA Fitness
						Marshalls
						Staples
						Just Cabinets
						Aldi
Halifax Plaza	100%	2003	51,510	100.0%	11.96	Giant Foods
Hamburg Square	100%	2004	99,580	96.4%	6.53	Redner s
						Peebles
Liberty Marketplace	100%	2005	68,200	98.2%	17.95	Giant Foods
Meadows Marketplace	100%	2004/2012	91,518	100.0%	15.57	Giant Foods
Mechanicsburg Giant	100%	2005	51,500	100.0%	21.78	Giant Foods
Newport Plaza	100%	2003	64,489	100.0%	11.71	Giant Foods
Northside Commons	100%	2008	69,136	100.0%	9.49	Redner s
Palmyra Shopping Center	100%	2005	111,051	94.5%	6.61	Weis Markets
						Goodwill
Port Richmond Village	100%	2001	154,908	98.2%	13.12	Thriftway
						Pep Boys
						City Stores, Inc.
River View Plaza	100%	2003	226,786	92.7%	19.15	United Artists
						Avalon Carpet
						Pep Boys
						Staples

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Property description	Percent owned	Year acquired	GLA	Percent occupied	Average base rent per sq. ft. (a)	Major tenants (b)
Pennsylvania (continued)						
South Philadelphia	100%	2003	283,415	82.5%	14.49	Shop Rite
						Ross Dress For Less
						LA Fitness
						Modell s
Swede Square	100%	2003	100,816	100.0%	16.69	LA Fitness
The Commons	100%	2004	203,426	87.5%	7.87	Bon-Ton
						Shop n Save
						TJ Maxx
The Point	100%	2000	268,037	96.5%	12.45	Burlington Coat Factory
						Giant Foods
						A.C. Moore
						Staples
Trexler Mall	100%	2005	339,279	89.5%	9.94	Kohl s
						Bon-Ton
						Lehigh Wellness Partners
						Trexlertown Fitness Club
						Marshalls
Trexlertown Plaza	100%	2006	313,929	90.6%	12.29	Giant Foods
						Hobby Lobby
						Redner s
						Big Lots
						Tractor Supply
Upland Square	100%	2007	394,598	94.0%	16.87	Giant Foods
						Carmike Cinema
						LA Fitness
						Best Buy
						TJ Maxx
						Bed, Bath & Beyond
						A.C. Moore
						Staples
Total Pennsylvania			**4,738,325**	**93.4%**	**13.08**	
Virginia						
Annie Land Plaza	100%	2006	42,500	97.18%	9.50	Food Lion
Coliseum Marketplace	100%	2005	105,998	100.00%	16.05	Farm Fresh
						Michaels
Elmhurst Square	100%	2006	66,250	96.98%	10.26	Food Lion
Fredericksburg Way	100%	2005	63,000	100.00%	18.47	Ukrop s Supermarket

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Property description	Percent owned	Year acquired	GLA	Percent occupied	Average base rent per sq. ft. (a)	Major tenants (b)
Virginia (continued)						
General Booth Plaza	100%	2005	71,639	96.65%	13.05	Farm Fresh
Glen Allen Shopping Center	100%	2005	63,328	100.00%	6.61	Giant Foods
Kempsville Crossing	100%	2005	79,209	42.79%	11.67	Farm Fresh
Oak Ridge Shopping Center	100%	2006	38,700	92.25%	10.59	Food Lion
Smithfield Plaza	100%	2005/2008	134,664	93.69%	9.17	Farm Fresh
						Roses Express
						Peebles
Suffolk Plaza	100%	2005	67,216	100.00%	9.40	Farm Fresh
Virginia Little Creek	100%	2005	69,620	100.00%	11.12	Farm Fresh
Total Virginia			**802,124**	**92.2%**	**11.59**	
Total Consolidated Portfolio			**9,390,558**	**92.6%**	**$ 12.31**	

(a) Average base rent is calculated as the aggregate, annualized contractual minimum rent for all occupied spaces divided by the aggregate GLA of all occupied spaces as of December 31, 2013. Tenant concessions are reflected in this measure except for a limited number of short-term (generally one to three months) free rent concessions provided to new tenants that took occupancy prior to the end of the reporting period but within the concession period. Average base rent would have been $12.17 per square foot if all such free rent concessions were reflected.

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

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

Giant Food Stores, LLC and Stop & Shop, Inc., each of which is owned by Ahold N.V., a Netherlands corporation, leased an aggregate of approximately 12%, 13% and 13% of the Company s GLA at December 31, 2013, 2012 and 2011, respectively, and accounted for an aggregate of approximately 15%, 14% and 14% of the Company s total revenues during 2013, 2012 and 2011, respectively. No other tenant leased more than 10% of GLA at December 31, 2013, 2012 or 2011, or contributed more than 10% of total revenues during 2013, 2012 or 2011.

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Executive Offices

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

Competition

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

Environmental Matters

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

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

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Employees

As of December 31, 2013, the Company had 71 employees (69 full-time and two part-time). The Company believes that its relations with its employees are good.

Item 1A. Risk Factors

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

We paid dividends totaling $0.20 per share during 2013 and 2012. However, any downturn in the state of the U.S. economy, weakness in capital markets and/or difficult retail environment may cause us to reduce or suspend the payment of dividends.

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

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

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

Our properties consist primarily of grocery-anchored community shopping centers, and our performance therefore is linked to economic conditions in the market for retail space generally. This also means that we are subject to the risks that affect the retail environment generally, including the levels of consumer spending, the willingness of retailers to lease space in our shopping centers, tenant bankruptcies, changes in economic conditions and consumer confidence. A downturn in the U.S. economy and reduced consumer spending could impact our tenants ability to meet their lease obligations due to poor operating results, lack of liquidity or other reasons, and therefore decrease the revenue generated by our properties and/or the value of our properties. Our ability to lease space and negotiate and maintain favorable rents could also be negatively impacted by the state of the U.S. economy. Moreover, the demand for leasing space in our shopping centers could also significantly decline during a significant downturn in the U.S. economy that could result in a decline in our occupancy percentage and reduction in rental revenues Although the U.S. economy is no longer in recession, the recovery has been slow, resulting in continued high levels of unemployment. Sustained levels of high unemployment can be expected to have a serious negative impact on consumer spending and sales by tenants at our shopping centers.

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

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

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

1. local oversupply, increased competition or declining demand for real estate;

2. local economic conditions, which may be adversely impacted by plant closings, business layoffs, industry slow-downs, weather conditions, natural disasters and other factors;

3. non-payment or deferred payment of rent or other charges by tenants, either as a result of tenant-specific financial ills, or general economic events or circumstances adversely affecting consumer disposable income or credit;

4. vacancies or an inability to rent space on acceptable terms;

5. increased operating costs, including real estate taxes, insurance premiums, utilities, and repairs and maintenance;

6. volatility and/or increases in interest rates, or the non-availability of funds in the credit markets in general;

7. increased costs of complying with current, new or expanded governmental regulations;

8. the relative illiquidity of real estate investments;

9. changing market demographics;

10. changing traffic patterns;

11. an inability to arrange property-specific replacement financing for maturing mortgage loans in acceptable amounts and/or on acceptable terms.

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

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

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

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

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

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

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

Specifically, Giant Food Stores, LLC and Stop & Shop, Inc., each of which is owned by Ahold N.V., a Netherlands corporation, leased an aggregate of approximately 12% of our GLA at December 31, 2013, and accounted for an aggregate of approximately 15% of our total revenues during 2013. No other tenant leased more than 10% of GLA at December 31, 2013 or contributed more than 10% of total revenues during 2013.

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

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

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

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

We also face competition from similar retail centers within our respective trade areas that may affect our ability to renew leases or re-let space as leases expire. Certain national retail chain bankruptcies and resulting store closings/lease disaffirmations have generally resulted in increased available retail space which, in turn, has resulted in increased competitive pressure to renew tenant leases upon expiration and to find new tenants for vacant space at such properties. In addition, any new competitive properties that are developed within the trade areas of our existing properties may result in increased competition for customer traffic and creditworthy tenants. Increased competition for tenants may require us to make tenant and/or capital improvements to properties beyond those that we would otherwise have planned to make. Any unbudgeted tenant and/or capital improvements we undertake may reduce cash that would otherwise be available for distributions to shareholders. Ultimately, to the extent we are unable to renew leases or re-let space as leases expire, our business and operations could be negatively impacted.

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

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

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

Our properties are located largely in the region that straddles the Washington DC to Boston corridor, which exposes us to greater economic risks than if we owned properties in more geographic regions (in particular, 28 of our properties are located in Pennsylvania). Any adverse economic or real estate developments resulting from the regulatory environment, business climate, fiscal problems or weather in such regions could have an adverse impact on our prospects. In addition, the economic condition of each of our markets may be dependent on one or more industries. An economic downturn in one of these industry sectors may result in an increase in tenant vacancies, which may harm our performance in the affected markets. High barriers to entry in the Washington DC to Boston corridor due to mature economies, road patterns, density of population, restrictions on development, and high land costs, coupled with large numbers of often overlapping government jurisdictions, may make it difficult for us to continue to grow in these areas.

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

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

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

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

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Potential losses may not be covered by insurance.

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

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

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

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

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

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

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

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

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

We may incur significant costs complying with the Americans with Disabilities Act of 1990, as amended, and similar laws, which require that all public accommodations meet federal requirements related to access and use by disabled persons, and with various other federal, state and local regulatory requirements, such as state and local fire and life safety requirements.

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

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

Our charter and Maryland law contain provisions that may delay, defer or prevent a change of control transaction and depress the price of our common stock. The charter, subject to certain exceptions, authorizes directors to take such actions as are necessary and desirable relating to qualification as a REIT, and to limit any person to beneficial ownership of no more than 9.9% of the outstanding shares of our common stock. Our Board of Directors, in its sole discretion, may exempt a proposed transferee from the ownership limit, but may not grant an exemption from the ownership limit to any proposed transferee whose direct or indirect ownership could jeopardize our status as a REIT. These restrictions on transferability and ownership will not apply if our Board of Directors determines that it is no longer in our best interests to continue to qualify as, or to be, a REIT. This ownership limit may delay or impede a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interests of shareholders. Based on our ability to determine the underlying beneficial ownership interests of the holders of our common stock, our Board of Directors has waived the ownership limit to permit each of Inland American Real Estate Trust, Inc. (Inland), Blackrock, Inc. and Cohen and Steers Capital Management, Inc. to acquire up to 14%, 14.9% and 15%, respectively, of our common stock. In addition, Inland has agreed to various voting restrictions and standstill provisions.

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

1. business combination provisions that, subject to limitations, prohibit certain business combinations between us and an interested stockholder (defined generally as any person or an affiliate thereof who beneficially owns 10% or more of the voting power of our shares) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter imposes special appraisal rights and special stockholder voting requirements on these combinations; and

2. control share provisions that provide that our control shares (defined as shares that, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a control share acquisition (defined as the direct or indirect acquisition of ownership or control of control shares) have no voting rights except to the extent approved by our shareholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

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

Item 1B. Unresolved Staff Comments: None

Item 3. Legal Proceedings

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

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Item 4. Mine Safety Disclosures: Not applicable

Directors and Executive Officers of the Company

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

Name	Age	Position
Bruce J. Schanzer	45	Chief Executive Officer and President, Director
Roger M. Widmann	74	Chairman of the Board of Directors
James J. Burns	74	Director
Pamela N. Hootkin	66	Director
Paul G. Kirk Jr.	76	Director
Everett B. Miller III	68	Director
Philip R. Mays	46	Chief Financial Officer
Brenda J. Walker	61	Vice President Chief Operating Officer

Bruce J. Schanzer has been President, Chief Executive Officer and a director of the Company since June 2011. Prior thereto and since 2007, Mr. Schanzer was employed by Goldman Sachs & Co., with his last position being a managing director in their real estate investment banking group. From 2001 to 2007, he was employed by Merrill Lynch, with his last position being vice president in their real estate investment banking group. Earlier in his career, Mr. Schanzer practiced real estate law for six years in New York. Mr. Schanzer received a B.A. from Yeshiva College, where he is now a member of its board of trustees, an M.B.A. from the University of Chicago, and a J.D. from the Benjamin N. Cardozo School of Law, where he was a member of the Law Review.

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

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

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

Paul G. Kirk, Jr., a director from 2005 to September 2009 when he resigned to accept his appointment as a United States Senator for Massachusetts to succeed the late Senator Edward M. Kennedy, and re-elected to the Board in June 2010, is a member of the Compensation and Nominating/Corporate Governance (Chair) Committees, and is a retired partner of the law firm of Sullivan & Worcester, LLP of Boston, MA. He was a member of the firm from 1977 through 1990. He also serves as Chairman and CEO of Kirk & Associates, Inc., a business advisory and consulting firm, and currently serves on the Board of Directors of the Hartford Financial Services Group, Inc. He has previously served on the Boards of Directors of Rayonier, Incorporated (a real estate investment trust listed on the New York Stock Exchange) (1994 to 2011), ITT Corporation (1989 to 1997) and Bradley Real Estate, Inc. (1991 to 2000), a real estate investment trust that was subsequently acquired by Heritage Property Investment Trust, Inc. Mr. Kirk was a founding Director of the John F. Kennedy Library Foundation and served as its Chairman from 1992 to 2009. He was a founding Director of the Commission on Presidential Debates and served as its Co-Chairman from 1987 to 2009. From 1985 to 1989, Mr. Kirk served as Chairman of the Democratic Party of the U.S., and from 1983 to 1985 as its Treasurer. He is Chairman Emeritus of the National Democratic Institute for International Affairs whose Board he Chaired from 1990 to 2000. A graduate of Harvard College and Harvard Law School, Mr. Kirk is past-Chairman of the Harvard Board of Overseers Nominating Committee and of the Harvard Board of Overseers Committee to Visit the Department of Athletics. He has received many awards for civic leadership and public service, including honorary doctors of law degrees from Stonehill College and the Southern New England School of Law.

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Everett B. Miller, III, a director since 1998 and a member of the Audit and Compensation Committees, has been since July 2012 the Director of the Real Estate Bureau of the New York State Common Retirement Fund. In July 2012, Mr. Miller resigned his position as a member of the Real Estate Advisory Committee of the New York State Common Retirement Fund, a position he held since March 2003, in order to accept his current position. He retired at the end of 2011 from his position as vice president of alternative investments at the YMCA Retirement Fund, a position he held since September 2003. Prior to his retirement in May 2002 from Commonfund Realty, Inc., a registered investment advisor, Mr. Miller was the chief operating officer of that company from 1997 until May 2002. From January 1995 through March 1997, Mr. Miller was the Principal Investment Officer for Real Estate and Alternative Investment at the Office of the Treasurer of the State of Connecticut. Prior thereto, Mr. Miller was employed for eighteen years at affiliates of Travelers Realty Investment Co., at which his last position was senior vice president. Mr. Miller received a B.S. from Yale University.

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

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

Part II.

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

Dividend Information

A corporation electing REIT status is required to distribute at least 90% of its REIT taxable income , as defined in the Code, to continue qualification as a REIT. In keeping with its stated goal of reducing overall leverage, and in order to maximize financial flexibility, the Company paid dividends totaling $0.20 per share during 2013 and 2012. 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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Market Information

The Company had 72,199,743 shares of common stock outstanding held by approximately 700 shareholders of record at December 31, 2013. The Company believes it has more than 4,200 beneficial holders of its common stock. The Company s shares trade on the NYSE under the symbol CDR . The following table sets forth, for each quarter for the last two years, (1) the high, low, and closing prices of the Company s common stock, and (2) dividends paid:

	Market price range			Dividends
Quarter ended	**High**	**Low**	**Close**	**paid**
2013				
March 31	$ 6.19	$ 4.91	$ 6.11	$ 0.05
June 30	6.83	5.10	5.18	0.05
September 30	5.91	4.75	5.18	0.05
December 31	6.50	5.10	6.26	0.05
2012				
March 31	$ 5.30	$ 4.35	$ 5.12	$ 0.05
June 30	5.45	4.53	5.05	0.05
September 30	5.80	4.65	5.28	0.05
December 31	5.73	4.60	5.28	0.05

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Stockholder Return Performance Presentation

The following line graph sets forth for the period January 1, 2009 through December 31, 2013 a comparison of the percentage change in the cumulative total stockholder return on the Company s common stock compared to the cumulative total return of the Russell 2000 index and the National Association of Real Estate Investment Trusts Equity REIT Total Return Index. The graph assumes that the shares of the Company s common stock were bought at the price of $100 per share and that the value of the investment in each of the Company s common stock and the indices was $100 at the beginning of the period. The graph further assumes the reinvestment of dividends when paid.

	Period Ending					
Index	**12/31/08**	**12/31/09**	**12/31/10**	**12/31/11**	**12/31/12**	**12/31/13**
Cedar Realty Trust, Inc.	100.00	98.92	95.35	70.78	90.18	110.74
Russell 2000	100.00	127.17	161.32	154.59	179.86	249.69
NAREIT All Equity REIT Index	100.00	127.99	163.76	177.32	212.26	218.32

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Item 6. Selected Financial Data (a)

	Years ended December 31,				
	2013	**2012**	**2011**	**2010**	**2009**
Operations data:					
Total revenues	$ 138,824,000	$ 135,726,000	$ 129,988,000	$ 127,203,000	$ 136,450,000
Expenses:					
Property operating expenses	41,955,000	39,365,000	42,943,000	40,597,000	39,272,000
General and administrative	13,980,000	14,277,000	10,740,000	9,537,000	10,158,000
Management transition charges and employee termination costs	106,000	1,172,000	6,875,000		
Impairment (reversals)/charges, net	(1,100,000)	5,779,000	7,148,000	2,493,000	23,636,000
Acquisition transaction costs and terminated projects	182,000	116,000	1,436,000	3,958,000	4,367,000
Depreciation and amortization	44,405,000	43,289,000	41,862,000	34,102,000	36,123,000
Total expenses	99,528,000	103,998,000	111,004,000	90,687,000	113,556,000
Operating income	39,296,000	31,728,000	18,984,000	36,516,000	22,894,000
Non-operating income and expense:					
Interest expense	(34,766,000)	(38,480,000)	(41,312,000)	(45,820,000)	(41,882,000)
Early extinguishment of debt costs	(106,000)	(2,607,000)			
Interest income	4,000	191,000	349,000	21,000	63,000
Equity in income of unconsolidated joint ventures		1,481,000	1,671,000	484,000	1,098,000
Gain (loss) on exit from unconsolidated joint ventures		30,526,000	(7,961,000)		
Gain on sales	609,000	997,000	130,000		521,000
Total non-operating income and expense	(34,259,000)	(7,892,000)	(47,123,000)	(45,315,000)	(40,200,000)
Income (loss) from continuing operations	5,037,000	23,836,000	(28,139,000)	(8,799,000)	(17,306,000)
Income (loss) from discontinued operations	9,165,000	10,179,000	(80,375,000)	(35,385,000)	295,000
Net income (loss)	14,202,000	34,015,000	(108,514,000)	(44,184,000)	(17,011,000)
Less, net loss (income) attributable to noncontrolling interests Minority interests in consolidated joint ventures	247,000	(4,335,000)	2,507,000	1,613,000	(772,000)

Limited partners interest in Operating Partnership	(1,000)	26,000	2,446,000	1,282,000	912,000
Total net loss (income) attributable to noncontrolling interests	246,000	(4,309,000)	4,953,000	2,895,000	140,000
Net income (loss) attributable to Cedar Realty Trust, Inc.	14,448,000	29,706,000	(103,561,000)	(41,289,000)	(16,871,000)
Preferred stock dividends and redemption costs	(15,579,000)	(19,817,000)	(14,200,000)	(10,196,000)	(7,876,000)
Net (loss) income attributable to common shareholders	$ (1,131,000)	$ 9,889,000	$ (117,761,000)	$ (51,485,000)	$ (24,747,000)
Per common share attributable to common shareholders (basic and diluted):					
Continuing operations	$ (0.16)	$ 0.05	$ (0.64)	$ (0.29)	$ (0.52)
Discontinued operations	0.13	0.08	(1.15)	(0.52)	(0.02)
	$ (0.03)	$ 0.13	$ (1.79)	$ (0.81)	$ (0.54)
Dividends to common shareholders	$ 14,434,000	$ 14,402,000	$ 24,705,000	$ 17,749,000	$ 9,742,000
Per common share	$ 0.2000	$ 0.2000	$ 0.3600	$ 0.2700	$ 0.2025
Weighted average number of common shares basic and diluted	68,381,000	68,017,000	66,387,000	63,843,000	46,234,000

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

	Years ended December 31,				
	2013	2012	2011	2010	2009
Balance sheet data:					
Real estate, net	$ 1,188,249,000	$ 1,183,867,000	$ 1,127,319,000	$ 1,086,060,000	$ 1,108,754,000
Real estate to be transferred to a joint venture					139,743,000
Real estate held for sale/conveyance	81,854,000	117,673,000	252,617,000	396,054,000	431,834,000
Investment in unconsolidated joint ventures			44,743,000	52,466,000	14,113,000
Other assets	61,823,000	68,363,000	87,484,000	87,907,000	90,674,000
Total assets	$ 1,331,926,000	$ 1,369,903,000	$ 1,512,163,000	$ 1,622,487,000	$ 1,785,118,000
Mortgages and loans payable	$ 719,792,000	$ 745,168,000	$ 736,689,000	$ 680,718,000	$ 797,146,000
Mortgage loans payable real estate to be transferred to a joint venture					94,018,000
Mortgage loans payable real estate held for sale/conveyance	22,848,000	39,306,000	141,259,000	159,395,000	161,283,000
Other liabilities	53,638,000	63,679,000	73,827,000	76,850,000	106,269,000
Total liabilities	796,278,000	848,153,000	951,775,000	916,963,000	1,158,716,000
Noncontrolling interest limited partners mezzanine					
OP Units	414,000	623,000	4,616,000	7,053,000	12,638,000
Equity:					
Cedar Realty Trust, Inc. shareholders equity	527,677,000	513,656,000	493,843,000	630,066,000	538,456,000
Noncontrolling interests	7,557,000	7,471,000	61,929,000	68,405,000	75,308,000

Total equity	535,234,000	521,127,000	555,772,000	698,471,000	613,764,000
Total liabilities and equity	$ 1,331,926,000	$ 1,369,903,000	$ 1,512,163,000	$ 1,622,487,000	$ 1,785,118,000
Other data:					
Funds From Operations (FFO) (b)	$ 44,868,000	$ 26,717,000	$ 26,520,000	$ 29,510,000	$ 51,776,000
Cash flows provided by (used in):					
Operating activities	$ 49,676,000	$ 50,478,000	$ 39,098,000	$ 41,702,000	$ 51,942,000
Investing activities	$ (15,254,000)	$ 50,224,000	$ (64,093,000)	$ (29,834,000)	$ (70,026,000)
Financing activities	$ (37,971,000)	$ (105,250,000)	$ 22,899,000	$ (14,866,000)	$ 27,017,000
Square feet of GLA	9,391,000	9,316,000	9,065,000	8,477,000	8,351,000
Percent occupied	92.6%	92.0%	91.7%	91.0%	91.9%
Average annualized base rent per square foot	$ 12.31	$ 12.05	$ 11.65	$ 11.42	$ 11.01

(a) The data presented reflect certain reclassifications of prior period amounts to conform to the 2013 presentation, principally to reflect the sale and/or as held for sale/conveyance of certain operating properties and the treatment thereof as discontinued operations . The reclassifications had no impact on the previously-reported net income attributable to common shareholders or earnings per share.

(b) See Item 7 Management Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of FFO to net income(loss) attributable to common shareholders.

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

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

Executive Summary

The Company is a fully-integrated real estate investment trust that focuses primarily on ownership and operation of grocery-anchored shopping centers straddling the Washington DC to Boston corridor. At December 31, 2013, the Company owned and managed a portfolio of 65 operating properties (excluding properties held for sale/conveyance) totaling approximately 9.4 million square feet of gross leasable area (GLA). The portfolio was 92.6% occupied and 93.6% leased at December 31, 2013.

The Company, organized as a Maryland corporation, has established an umbrella partnership structure through the contribution of substantially all of its assets to Cedar Realty Trust Partnership L.P. (the Operating Partnership), organized as a limited partnership under the laws of Delaware. The Company conducts substantially all of its business through the Operating Partnership. At December 31, 2013, the Company owned 99.3% of the Operating Partnership and is its sole general partner. The approximately 516,000 limited Operating Partnership Units (OP Units) are economically equivalent to the Company s common stock and are convertible into the Company s common stock at the option of the holders on a one-to-one basis.

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

Significant Transactions

Acquisition

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 credit facility and the $1.5 million balance by the issuance of approximately 270,000 OP Units, which was based on the market price of the Company s common stock. In addition, the Company incurred transaction costs of $0.2 million in connection with the transaction.

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Dispositions

As part of the Company s on-going efforts to concentrate on grocery-anchored shopping centers straddling the Washington DC to Boston corridor, the following were property dispositions during 2013:

Property	Location	GLA	Date Sold	Sales Price
Discontinued Operations:				
East Chestnut	Lancaster, PA	21,180	1/2/2013	$ 3,100,000
Columbia Mall	Bloomsburg, PA	352,544	4/17/2013	$ 2,775,000
Heritage Crossing	Limerick, PA	28,098	5/9/2013	$ 9,400,000
Westlake Discount Drug Mart Plaza	Westlake, OH	55,775	6/5/2013	$ 2,240,000
Dunmore Shopping Center	Dunmore, PA	101,080	11/8/2013	$ 4,000,000
Roosevelt II	Philadelphia, PA	180,088	11/14/2013	$ 13,878,000(a)
Oakhurst Plaza	Harrisburg, PA	111,869	12/11/2013	$ 11,000,000
Continuing operations:				
Huntingdon Plaza land parcel	Huntingdon, PA	N/A	3/29/2013	$ 390,000
Upland Square land parcel	Pottstown, PA	N/A	11/8/2013	$ 1,700,000
Oregon Pike land parcel	Lancaster, PA	N/A	12/23/2013	$ 1,451,000

(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.

Credit Facility

On August 1, 2013, the Company amended and extended, on an unsecured basis, its credit facility. As amended, the $310 million credit facility is comprised of a three-year $260 million revolving credit facility, expiring on August 1, 2016, and a five-year $50 million term loan, expiring on August 1, 2018. See Liquidity below for additional details.

Term Loans

On February 11, 2014, the Company closed $150 million of unsecured term loans consisting 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. See Liquidity below for additional details.

Equity Transactions

Preferred Stock

In February 2013, the Company concluded a public offering of 2.3 million shares of its Series B Preferred Stock (including 0.3 million shares relating to the exercise by the underwriters of their over-allotment option) and realized net proceeds, after offering expenses, of $54.7 million. In March 2013, the Company redeemed all of the remaining 1.4 million shares of its Series A Preferred Stock, for a total cash outlay of $35.4 million.

During 2013, the Company sold approximately 221,000 shares of its Series B Preferred Stock under an existing 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.

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Common Stock

In August 2013, the Company entered into an at-the-market continuous 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, 2013, no shares had been sold under this program.

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 intends to use the net proceeds from the offering for general working capital and other corporate purposes, including the repayment of outstanding indebtedness and the acquisition of additional properties.

Summary of Critical Accounting Policies

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

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

Revenue Recognition

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

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

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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.

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

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

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The values of acquired above-market and below-market leases are recorded based on the present values (using discount rates which reflect the risks associated with the leases acquired) of the differences between the contractual amounts to be received and management s estimate of market lease rates, measured over the terms of the respective leases that management deemed appropriate at the time of the acquisitions. Such valuations include a consideration of the non-cancellable terms of the respective leases as well as any applicable renewal 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 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 2013 to 2012

	2013	2012	Change Dollars	Change Percent
Revenues	$ 138,824,000	$ 135,726,000	$ 3,098,000	2.3%
Property operating expenses	41,955,000	39,365,000	2,590,000	6.6%
Property operating income	96,869,000	96,361,000	508,000	0.5%
General and administrative	(13,980,000)	(14,277,000)	297,000	-2.1%
Management transition charges and employee termination costs	(106,000)	(1,172,000)	1,066,000	n/a
Impairment reversals/(charges), net	1,100,000	(5,779,000)	6,879,000	n/a
Acquisition transaction costs and terminated projects	(182,000)	(116,000)	(66,000)	n/a
Depreciation and amortization	(44,405,000)	(43,289,000)	(1,116,000)	2.6%
Interest expense	(34,766,000)	(38,480,000)	3,714,000	-9.7%
Early extinguishment of debt costs	(106,000)	(2,607,000)	2,501,000	n/a
Interest income	4,000	191,000	(187,000)	-97.9%
Equity in income of unconsolidated joint venture		1,481,000	(1,481,000)	-100.0%
Gain on exit from unconsolidated joint venture		30,526,000	(30,526,000)	n/a
Gain on sales	609,000	997,000	(388,000)	n/a
Income from continuing operations	5,037,000	23,836,000	(18,799,000)	
Discontinued operations:				
Income from operations	2,690,000	5,504,000	(2,814,000)	-51.1%
Impairment charges, net	(3,977,000)	(4,000)	(3,973,000)	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)	

Properties held in both periods. The Company held 63 properties (excluding properties held for sale/conveyance) throughout 2013 and 2012.

Revenues were higher primarily as a result of increases in (1) rental revenues and expense recoveries at properties acquired in 2013 and 2012 ($5.7 million), (2) rental revenues and expense recoveries at other operating properties

($2.5 million), and (3) revenues at redevelopment properties ($0.3 million), offset by (4) a decrease in lease termination income ($3.0 million), and (5) a decrease in management fee income related to the Cedar/RioCan joint venture ($2.4 million); the management agreement was terminated effective January 31, 2013.

Property operating expenses were higher primarily as a result of (1) property operating expenses at properties acquired in 2013 and 2012 ($1.5 million), (2) an increase in snow removal costs ($1.1 million), and (3) an increase in other operating expenses ($0.5 million), offset by (4) a decrease in payroll and related benefits and costs ($0.4 million).

General and administrative expenses were lower primarily as a result of decreases in payroll and related benefits resulting from employee headcount reductions implemented by management in the latter part of 2012.

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

Impairment (reversals)/charges, net in 2013 relate to the partial cash recovery on a loan receivable previously written off, as more fully discussed elsewhere in this report ($1.1 million). Impairment (reversals)/charges, net in 2012 relate to (1) the write-off of the aforementioned loan receivable ($4.4 million), and (2) certain land parcels treated as held for sale/conveyance ($1.3 million).

Acquisition transaction costs and terminated projects in 2013 and 2012 include costs incurred related to property acquisitions.

Depreciation and amortization expenses were higher primarily as a result of (1) the acquisition of properties in 2013 and 2012 ($2.3 million), (2) 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 the completion of scheduled depreciation and amortization. ($1.8 million).

Interest expense decreased primarily as a result of a decrease in (1) the overall weighted average interest rate ($4.0 million), and (2) amortization expense of deferred financing costs ($0.3 million), offset by a decrease in capitalized interest ($0.4 million).

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, as more fully discussed elsewhere in this report.

Gain on sales in 2013 and 2012 relate principally to sales of land parcels treated as held for sale/conveyance as part of the Company s 2011 business plan, as more fully discussed elsewhere in this report.

Discontinued operations for 2013 and 2012 include the results of operations, net impairment charges, gain on extinguishment of debt obligations, and gain on sales for certain properties sold or treated as held for sale/conveyance , as part of the Company s 2011 business plan, as more fully discussed elsewhere in this report.

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Comparison of 2012 to 2011

	2012	2011	Change Dollars	Change Percent
Revenues	$ 135,726,000	$ 129,988,000	$ 5,738,000	4.4%
Property operating expenses	39,365,000	42,943,000	(3,578,000)	-8.3%
Property operating income	96,361,000	87,045,000	9,316,000	10.7%
General and administrative	(14,277,000)	(10,740,000)	(3,537,000)	32.9%
Management transition charges and employee termination costs	(1,172,000)	(6,875,000)	5,703,000	n/a
Impairment charges, net	(5,779,000)	(7,148,000)	1,369,000	n/a
Acquisition transaction costs and terminated projects	(116,000)	(1,436,000)	1,320,000	n/a
Depreciation and amortization	(43,289,000)	(41,862,000)	(1,427,000)	3.4%
Interest expense	(38,480,000)	(41,312,000)	2,832,000	-6.9%
Early extinguishment of debt costs	(2,607,000)		(2,607,000)	n/a
Interest income	191,000	349,000	(158,000)	-45.3%
Equity in income of unconsolidated joint ventures	1,481,000	1,671,000	(190,000)	-11.4%
Gain (loss) on exit from unconsolidated joint ventures	30,526,000	(7,961,000)	38,487,000	n/a
Gain on sales	997,000	130,000	867,000	n/a
Income (loss) from continuing operations	23,836,000	(28,139,000)	51,975,000	
Discontinued operations:				
Income from operations	5,504,000	7,199,000	(1,695,000)	-23.5%
Impairment charges, net	(4,000)	(88,458,000)	88,454,000	n/a
Gain on sales	4,679,000	884,000	3,795,000	n/a
Net income (loss)	34,015,000	(108,514,000)	142,529,000	
Net (income) loss attributable to noncontrolling interests	(4,309,000)	4,953,000	(9,262,000)	
Net income (loss) attributable to Cedar Realty Trust, Inc.	$ 29,706,000	$ (103,561,000)	$ 133,267,000	

Properties held in both periods. The Company held 62 properties (excluding properties held for sale/conveyance) throughout 2012 and 2011.

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

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

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

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

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

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

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

Interest expense decreased primarily as a result of (1) lower amortization of deferred financing costs related to the new credit facility entered into during the first quarter of 2012 ($2.0 million), (2) a decrease in the overall outstanding principal balance of debt ($1.4 million), and (3) a decrease in the overall weighted average interest rate ($0.7 million), offset by a decrease in capitalized interest ($1.3 million).

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

Gain (loss) on exit from unconsolidated joint ventures in 2012 relates to the exit from the Cedar/RioCan joint venture, as more fully discussed elsewhere in this report. Gain (loss) on exit from unconsolidated joint ventures in 2011 represents the write-off of an investment in an unconsolidated joint venture relating to the Company s decision not to go forward with the development of two adjacent properties in Philadelphia, Pennsylvania. The impairment loss for the wholly-owned property is included in loss from discontinued operations.

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

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

Same-Property Net Operating Income

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

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

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	Years ended December 31,	
	2013	2012
Consolidated operating income	$ 39,296,000	$ 31,728,000
Add:		
General and administrative	13,980,000	14,277,000
Employee termination costs	106,000	1,172,000
Impairment (reversals)/charges, net	(1,100,000)	5,779,000
Acquisition transaction costs and terminated projects	182,000	116,000
Depreciation and amortization	44,405,000	43,289,000
Corporate costs included in property expenses	5,309,000	5,818,000
Less:		
Management fee income	(191,000)	(2,754,000)
Straight-line rents	(1,387,000)	(930,000)
Amortization of intangible lease liabilities	(4,441,000)	(5,359,000)
Internal management fees charged to properties	(3,565,000)	(3,365,000)
Lease termination income and other	(193,000)	(3,105,000)
Consolidated NOI	92,401,000	86,666,000
Less NOI related to properties not defined as same-property	(18,210,000)	(13,774,000)
Same-property NOI	$ 74,191,000	$ 72,892,000
Number of same properties	57	
Same-property occupancy, end of period	94.1%	93.9%
Same-property leased, end of period	94.4%	94.5%
Same-property average base rent, end of period	$ 12.12	$ 11.91

Same-property NOI growth for 2013 increased approximately 1.8% over 2012, excluding the re-tenanting impact from replacing the dark anchor at Oakland Commons with a Walmart Neighborhood Market. Same-property NOI growth including this impact was 1.9% for the comparative periods. The results reflect an increase in (1) 20 basis points (bps) in occupancy, and (2) $0.21 in average base rent at the properties.

Leasing Activity

The following is a summary of the Company s leasing activity during 2013:

	Leases signed	GLA	New rent per sq.ft. ($)	Prior rent per sq.ft. ($)	Cash basis % change	Tenant improvements per sq.ft. ($) (a)
Renewals	129	912,500	11.74	10.85	8.2%	0.00
New Leases Comparable	32	100,600	15.16	12.82	18.3%	19.80
New Leases Non-Comparable	16	150,700	11.13	n/a	n/a	4.19
Total (b)	177	1,163,800	11.96	n/a	n/a	2.28

(a) Includes tenant allowance and landlord work. Excludes first generation space.
(b) For 2013, legal fees and lease commissions averaged a combined total of $2.40 per square foot.

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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 credit facility for these purposes. The Company expects to fund long-term liquidity requirements for property acquisitions, redevelopment costs, remaining development costs, capital improvements, and maturing debt initially with its 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.

Debt is comprised of the following at December 31, 2013:

		Interest rates	
Description	**Balance outstanding**	**Weighted - average**	**Range**
Fixed-rate mortgages	$ 458,207,000	5.5%	3.1% 7.5%
Variable-rate mortgage	58,085,000	2.9%	
Total property-specific mortgages	516,292,000	5.2%	
Unsecured credit facility	203,500,000	2.3%	
	$ 719,792,000	4.3%	

On August 1, 2013, the Company amended and extended, on an unsecured basis, its credit facility. As amended, the $310 million credit facility is comprised of a three-year $260 million revolving credit facility, expiring on August 1, 2016, and a five-year $50 million term loan, expiring on August 1, 2018. Subject to customary conditions, the revolving credit facility may be extended, at the Company s option, for two additional one-year periods. Under an accordion feature, the new facility can be increased to $500 million, subject to customary conditions, and lending commitments from participating banks. The new facility contains financial covenants including, but not limited to, maximum debt leverage, maximum secured debt, minimum interest coverage, minimum fixed charge coverage, and minimum net worth. In addition, the new facility contains restrictions including, but not limited to, limits on indebtedness, certain investments and distributions. Although the new facility is unsecured, borrowing availability is based on unencumbered property adjusted net operating income, as defined in the agreement. The Company s failure to comply with the covenants or the occurrence of an event of default under the new facility could result in the acceleration of the related debt. In connection with the transaction, the Company paid fees and legal expenses of approximately $1.7 million.

Borrowings under the credit facility are priced at LIBOR plus 195 bps (a weighted average rate of 2.3% per annum at December 31, 2013), and can range from LIBOR plus 165 to 225 bps based on the Company s leverage ratio. As of December 31, 2013, the Company had $153.5 million outstanding under the revolving credit facility and $50.0 million outstanding under the term loan, and had $91.3 million available for additional borrowings. On February 11, 2014, the loan agreement was amended to modify the interest rate on the $50.0 term loan to match that of the new five-year $75.0 million unsecured term loan (see below).

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On February 11, 2014, the Company closed $150 million of unsecured term loans consisting 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. Under an accordion feature, the term loans can be increased to an aggregate of $300 million, subject to customary conditions and lending commitments from participating banks. The financial covenants and other terms contained in the loan agreement are substantially the same as those contained in the Company s unsecured credit facility. In connection with the transaction, the Company paid fees and legal expenses of approximately $1.1 million.

The five-year term loan is initially priced at LIBOR plus 175 bps, and can range from LIBOR plus 145 bps to 205 bps based on the Company s leverage ratio. The seven-year term loan is initially priced at LIBOR plus 200 bps, and can range from LIBOR plus 170 bps to 230 bps, also based on the Company s leverage ratio. 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, 2014 through their maturities. As a result, the effective fixed interest rates will be 3.37% for the five-year term loan and 4.27% for the seven-year term loan beginning July 1, 2014, based on the Company s leverage ratio at closing. Additionally, the Company amended its existing $50 million unsecured term loan, which matures on August 1, 2018, decreasing the interest rate by 20 bps to LIBOR plus 175 bps thereby matching the pricing grid of the new five-year unsecured term loan.

Property-specific mortgage loans payable at December 31, 2013 consisted of fixed-rate notes totaling $458.2 million, with a weighted average interest rate of 5.5% and a LIBOR-based variable-rate note totaling $58.1 million, with an effective interest rate of 2.9% per annum at that date. For 2014, the Company has approximately $7.6 million of scheduled debt principal amortization payments and $150.2 million of scheduled balloon payments. Substantially all 2014 debt requirements will be refinanced from the proceeds of the $150 million unsecured term loans which closed on February 11, 2014 (see above).

Mortgage loans payable and the credit facility have an overall weighted average interest rate of 4.3% and mature at various dates through 2029. The terms of several of the Company s mortgage loans payable require the Company to deposit certain replacement and other reserves with its lenders. Such restricted cash is generally available only for property-level requirements for which the reserves have been established, and is not available to fund other property-level or Company-level obligations.

In February 2013, the Company concluded a public offering of 2.3 million shares of its Series B Preferred Stock (including 0.3 million shares relating to the exercise by the underwriters of their over-allotment option) and realized net proceeds, after offering expenses, of $54.7 million. In March 2013, the Company redeemed all of the remaining 1.4 million shares of its Series A Preferred Stock, for a total cash outlay of $35.4 million.

During 2013, the Company sold approximately 221,000 shares of its Series B Preferred Stock under the existing 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.

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On August 6, 2013, the Company entered into an at-the-market continuous 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, 2013, no shares had been sold under this program.

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 intends to use the net proceeds from the offering for general working capital and other corporate purposes, including the repayment of outstanding indebtedness and the acquisition of additional properties.

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 stock dividends totaling $0.20 per share during 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.

Contractual obligations and commercial commitments

The following table sets forth the Company s significant debt repayment, interest and operating lease obligations at December 31, 2013:

	Maturity Date						
	2014	**2015**	**2016**	**2017**	**2018**	**Thereafter**	**Total**
Debt: (a)							
Mortgage loans payable (b)	$ 157,823,000	$ 68,821,000	$ 139,539,000	$ 62,962,000	$ 20,199,000	$ 66,948,000	$ 516,292,000
Credit facility (c)			153,500,000		50,000,000		203,500,000
Interest payments (d)	28,071,000	22,168,000	17,027,000	5,997,000	4,410,000	11,358,000	89,031,000
Operating lease obligations	1,515,000	1,530,000	1,539,000	1,057,000	924,000	9,098,000	15,663,000
Total	$ 187,409,000	$ 92,519,000	$ 311,605,000	$ 70,016,000	$ 75,533,000	$ 87,404,000	$ 824,486,000

(a) Does not include approximately $22.8 million applicable to discontinued operations (See Note 10 of notes to Consolidated Financial Statements).
(b) Substantially all 2014 debt requirements will be refinanced from the proceeds of the unsecured term loans which closed on February 11, 2014 (see above).
(c) The revolving facility expires on August 1, 2016, and may be extended for two additional one-year periods.

(d) Represents interest payments expected to be incurred on the Company s debt obligations as of December 31, 2013, including capitalized interest. For variable-rate debt, the rate in effect at December 31, 2013 is assumed to remain in effect until the maturities of the respective obligations.

Net Cash Flows

	December 31,		
	2013	**2012**	**2011**
Cash flows provided by (used in):			
Operating activities	$ 49,676,000	$ 50,478,000	$ 39,098,000
Investing activities	$ (15,254,000)	$ 50,224,000	$ (64,093,000)
Financing activities	$ (37,971,000)	$ (105,250,000)	$ 22,899,000

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Operating Activities

Net cash provided by operating activities, before net changes in operating assets and liabilities were generally consistent at $53.4 million, $53.3 million, and $47.6 million for the years ended December 31, 2013, 2012 and 2011, respectively. The amounts for 2013 include the acquisition of a property in the latter part of 2013, the full year results of a property acquired in the latter part of 2012, 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, offset by the reduced results from properties sold and the Company s exit from the Cedar/RioCan joint venture. The amounts for 2012 include $3.0 million of lease termination income and $0.6 million for management transition charges and employee termination costs. The amounts for 2011 include $4.5 million for management transition charges and employee termination costs. The net changes in operating assets and liabilities (($3.7) million in 2013, ($2.8) million in 2012, and ($8.5) million in 2011) were primarily the result of collections of receivables and the timing of payments of accounts payable and accrued liabilities.

Investing Activities

During 2013, the Company acquired a grocery-anchored shopping center and incurred expenditures for property improvements (an aggregate of $53.3 million), offset by proceeds from sales of properties treated as discontinued operations ($34.7 million), proceeds released from escrows ($2.2 million), and the repayment of a note receivable ($1.1 million). During 2012, the Company had net proceeds from the exit from the Cedar/RioCan unconsolidated joint venture ($41.6 million), proceeds from sales of properties treated as discontinued operations ($34.9 million), distributions of capital from the Cedar/RioCan joint venture ($2.8 million), and proceeds released from escrows ($2.4 million), offset by expenditures for property improvements ($31.4 million). During 2011, the Company acquired a grocery-anchored shopping center and incurred expenditures for property improvements (an aggregate of $92.0 million), had an increase in construction escrows and other ($6.2 million) and made investments in the Cedar/RioCan joint venture ($4.3 million), offset by proceeds from sales of properties treated as discontinued operations ($30.6 million), net proceeds relating to the properties transferred to the Cedar/RioCan joint venture ($3.5 million) and distribution of capital from the Cedar/RioCan joint venture ($4.3 million).

Financing Activities

During 2013, the Company had repayments of mortgage obligations ($77.1 million), the redemption of the 8.875% Series A Cumulative Redeemable Preferred Stock ($35.0 million), preferred and common stock distributions ($28.9 million), payment of debt financing costs ($1.9 million), the purchase of a joint venture remaining minority interest share ($1.6 million), distributions to noncontrolling interests (minority interests and limited partners $ 0.7 million), and redemptions of OP Units ($0.2 million), offset by proceeds from the sale of the 7.25% Series B Cumulative Redeemable Preferred Stock ($59.8 million), and net advances under the revolving credit facility and term loans (an aggregate of $47.5 million). During 2012, the Company had redemptions and repurchases of the 8.875% Series A cumulative Redeemable Preferred Stock ($124.9 million), repayments of mortgage obligations ($79.6 million), preferred and common stock distributions ($29.2 million), net repayments under the revolving credit facility and term loans (an aggregate of $10.3 million), the purchase of joint venture minority interests share ($6.1 million), the payment of debt financing costs ($4.9 million) and distributions to noncontrolling interests (minority interest and limited partners $4.3 million), offset by net proceeds from the sale of the 7.25% Series B Cumulative Redeemable Preferred Stock ($124.4 million) and proceeds from mortgage financings ($30.0 million). During 2011, the Company received proceeds from mortgage refinancings ($45.8 million), net advances from its revolving credit facilities ($33.7 million), proceeds from the sale of common stock ($4.3 million), and had a contribution from a consolidated joint venture minority interest ($0.3 million), offset by preferred and common stock distributions ($38.9 million), repayment of mortgage obligations ($17.4 million), distributions to noncontrolling interest (minority interest and

limited partners $3.8 million), and the payment of debt financing costs ($1.1 million).

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Funds From Operations

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

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 2013, 2012 and 2011:

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	Years ended December 31,		
	2013	2012	2011
Net (loss) income attributable to common shareholders	$ (1,131,000)	$ 9,889,000	$ (117,761,000)
Add (deduct):			
Real estate depreciation and amortization	45,280,000	44,335,000	48,156,000
Limited partners interest	1,000	(26,000)	(2,446,000)
Impairment charges, net	2,877,000	5,783,000	95,606,000
(Gain) loss on exit from unconsolidated joint ventures		(30,526,000)	7,961,000
Gain on sales	(609,000)	(5,676,000)	(884,000)
Consolidated minority interests:			
Share of (loss) income	(247,000)	4,335,000	(2,507,000)
Share of FFO	(1,303,000)	(4,562,000)	(5,918,000)
Unconsolidated joint venture:			
Share of income		(1,481,000)	(1,671,000)
Share of FFO		4,646,000	5,984,000
FFO	$ 44,868,000	$ 26,717,000	$ 26,520,000

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.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

The Company is exposed to interest rate changes primarily through (1) the variable-rate credit facility used to maintain liquidity, fund capital expenditures and redevelopment activities, and expand its real estate investment portfolio, and (2) property-specific variable-rate mortgage financing. The Company s objectives with respect to interest rate risk are to limit the impact of interest rate changes on operations and cash flows, and to lower its overall borrowing costs. To achieve these objectives, the Company may borrow at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps, etc., in order to mitigate its interest rate risk on a related variable-rate financial instrument. The Company does not enter into derivative or interest rate transactions for speculative purposes. At December 31, 2013, the Company had a mortgage loan payable of approximately $11.9 million (included in mortgage loans payable real estate held for sale/conveyance on the consolidated balance sheet) subject to an interest rate swap which converted the LIBOR-based variable rate to a fixed rate of 5.2% per annum. At that date, the Company had accrued liabilities of $0.6 million (included in accounts payable and accrued liabilities on the consolidated balance sheet) relating to the fair value of the interest rate swap applicable to the mortgage loan payable.

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At December 31, 2013, long-term debt consisted of fixed-rate mortgage loans payable and variable-rate debt (including the Company s variable-rate credit facility). The average interest rate on the $458.2 million of fixed-rate indebtedness outstanding was 5.5%, with maturities at various dates through 2029. The average interest rate on the $261.6 million of variable-rate debt (including $203.5 million in advances under the Company s credit facility) was 2.4%. With respect to the $261.6 million of variable-rate debt outstanding at December 31, 2013, if interest rates either increase or decrease by 1%, the Company s interest cost would increase or decrease respectively by approximately $2.6 million per annum.

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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, 2013 and 2012, and the related consolidated statements of operations and comprehensive income (loss), equity, and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedule listed in the Index at Item 8. These financial statements and schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cedar Realty Trust, Inc. at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Cedar Realty Trust, Inc. s internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated February 25, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York

February 25, 2014

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CEDAR REALTY TRUST, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2013	December 31, 2012
ASSETS		
Real estate:		
Land	$ 286,518,000	$ 276,197,000
Buildings and improvements	1,153,336,000	1,137,205,000
	1,439,854,000	1,413,402,000
Less accumulated depreciation	(251,605,000)	(229,535,000)
Real estate, net	1,188,249,000	1,183,867,000
Real estate held for sale/conveyance	81,854,000	117,673,000
Cash and cash equivalents	3,973,000	7,522,000
Restricted cash	11,063,000	13,752,000
Receivables	18,492,000	17,846,000
Other assets and deferred charges, net	28,295,000	29,243,000
TOTAL ASSETS	$ 1,331,926,000	$ 1,369,903,000
LIABILITIES AND EQUITY		
Mortgage loans payable	$ 516,292,000	$ 589,168,000
Mortgage loans payable real estate held for sale/conveyance	22,848,000	39,306,000
Unsecured credit facility	203,500,000	
Secured credit facility		156,000,000
Accounts payable and accrued liabilities	22,666,000	28,179,000
Unamortized intangible lease liabilities	26,868,000	30,502,000
Unamortized intangible lease liabilities real estate held for sale/conveyance	4,104,000	4,998,000
Total liabilities	796,278,000	848,153,000
Noncontrolling interest limited partners mezzanine OP Units	414,000	623,000
Commitments and contingencies		
Equity:		
Cedar Realty Trust, Inc. shareholders equity:		
Preferred stock ($.01 par value, 12,500,000 shares authorized):		
Series A ($25.00 per share liquidation value, 0 and 1,410,000, shares authorized, respectively, 0 and 1,408,000 shares, issued and outstanding, respectively)		34,882,000
Series B ($25.00 per share liquidation value, 10,000,000 and 7,500,000 shares authorized, respectively, 7,950,000 and 5,429,000 shares, issued and outstanding, respectively)	190,661,000	128,787,000
	4,332,000	4,309,000

Common stock ($.06 par value, 150,000,000 shares authorized, 72,200,000 and 71,817,000 shares, issued and outstanding, respectively)		
Treasury stock (3,514,000 and 3,822,000 shares, respectively, at cost)	(20,191,000)	(21,702,000)
Additional paid-in capital	747,997,000	748,194,000
Cumulative distributions in excess of net income	(393,819,000)	(378,254,000)
Accumulated other comprehensive loss	(1,303,000)	(2,560,000)
Total Cedar Realty Trust, Inc. shareholders equity	527,677,000	513,656,000
Noncontrolling interests:		
Minority interests in consolidated joint ventures	4,202,000	6,081,000
Limited partners OP Units	3,355,000	1,390,000
Total noncontrolling interests	7,557,000	7,471,000
Total equity	535,234,000	521,127,000
TOTAL LIABILITIES AND EQUITY	$ 1,331,926,000	$ 1,369,903,000

See accompanying notes to consolidated financial statements.

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CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years ended December 31,		
	2013	**2012**	**2011**
REVENUES			
Rents	$ 109,798,000	$ 104,187,000	$ 100,925,000
Expense recoveries	28,472,000	25,518,000	26,056,000
Other	554,000	6,021,000	3,007,000
Total revenues	138,824,000	135,726,000	129,988,000
EXPENSES			
Operating, maintenance and management	24,183,000	22,342,000	26,787,000
Real estate and other property-related taxes	17,772,000	17,023,000	16,156,000
General and administrative	13,980,000	14,277,000	10,740,000
Management transition charges and employee termination costs	106,000	1,172,000	6,875,000
Impairment (reversals)/charges, net	(1,100,000)	5,779,000	7,148,000
Acquisition transaction costs and terminated projects	182,000	116,000	1,436,000
Depreciation and amortization	44,405,000	43,289,000	41,862,000
Total expenses	99,528,000	103,998,000	111,004,000
OPERATING INCOME	39,296,000	31,728,000	18,984,000
NON-OPERATING INCOME AND EXPENSES			
Interest expense	(34,766,000)	(38,480,000)	(41,312,000)
Early extinguishment of debt costs	(106,000)	(2,607,000)	
Interest income	4,000	191,000	349,000
Equity in income of unconsolidated joint ventures		1,481,000	1,671,000
Gain (loss) on exit from unconsolidated joint ventures		30,526,000	(7,961,000)
Gain on sales	609,000	997,000	130,000
Total non-operating income and expense	(34,259,000)	(7,892,000)	(47,123,000)
INCOME (LOSS) FROM CONTINUING OPERATIONS	5,037,000	23,836,000	(28,139,000)
DISCONTINUED OPERATIONS			
Income from operations	2,690,000	5,504,000	7,199,000
Impairment charges, net	(3,977,000)	(4,000)	(88,458,000)
Gain on extinguishment of debt obligations	10,452,000		
Gain on sales		4,679,000	884,000
Total income (loss) from discontinued operations	9,165,000	10,179,000	(80,375,000)
NET INCOME (LOSS)	14,202,000	34,015,000	(108,514,000)
Less, net loss (income) attributable to noncontrolling interests:			

Minority interests in consolidated joint ventures	247,000	(4,335,000)	2,507,000
Limited partners interest in Operating Partnership	(1,000)	26,000	2,446,000
Total net loss (income) attributable to noncontrolling interests	246,000	(4,309,000)	4,953,000
NET INCOME (LOSS) ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	14,448,000	29,706,000	(103,561,000)
Preferred stock dividends	(14,413,000)	(14,819,000)	(14,200,000)
Preferred stock redemption costs	(1,166,000)	(4,998,000)	
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (1,131,000)	$ 9,889,000	$ (117,761,000)
PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED)			
Continuing operations	$ (0.16)	$ 0.05	$ (0.64)
Discontinued operations	0.13	0.08	(1.15)
	$ (0.03)	$ 0.13	$ (1.79)
Weighted average number of common shares basic and diluted	68,381,000	68,017,000	66,387,000

See accompanying notes to consolidated financial statements.

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CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Years ended December 31,		
	2013	**2012**	**2011**
Net income (loss)	$ 14,202,000	$ 34,015,000	$ (108,514,000)
Other comprehensive income (loss):			
Unrealized gain on change in fair value of cash flow hedges:			
Consolidated	1,260,000	836,000	3,000
Unconsolidated		118,000	(118,000)
Other comprehensive income (loss)	1,260,000	954,000	(115,000)
Comprehensive income (loss)	15,462,000	34,969,000	(108,629,000)
Comprehensive loss (income) attributable to noncontrolling interests	243,000	(4,309,000)	4,961,000
Comprehensive income (loss) attributable to Cedar Realty Trust, Inc.	$ 15,705,000	$ 30,660,000	$ (103,668,000)

See accompanying notes to consolidated financial statements.

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CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENT OF EQUITY

Years ended December 31, 2013, 2012 and 2011

	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 comprehensive (loss)
, 2010	6,400,000	$ 158,575,000	66,520,000	$ 3,991,000	$ (10,367,000)	$ 712,548,000	$ (231,275,000)	$ (3,406,000)
							(103,561,000)	
on lue of								11,000
n lue of dated								(118,000)
et			676,000	41,000	(161,000)	1,753,000		
m the stock			39,000	2,000		223,000		
m ment urchase			693,000	42,000		4,038,000		
ividends							(14,200,000)	
ommon terests							(24,705,000)	
n partners								
stment rs						412,000		
, 2011	6,400,000	158,575,000	67,928,000	4,076,000	(10,528,000)	718,974,000	(373,741,000)	(3,513,000)
)							29,706,000	
on lue of								835,000

on lue of dated								118,000
et			2,754,000	165,000	(11,174,000)	14,631,000		
m sales s	5,429,000	128,787,000				(4,417,000)		
urchases s	(4,992,000)	(123,693,000)				3,754,000	(4,998,000)	
ales and s, net			1,000			(172,000)		
ividends							(14,819,000)	
common terests							(14,402,000)	
OP Units ck			1,134,000	68,000		7,827,000		
ustment rs						2,000		
terest						7,595,000		
terest								
, 2012	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	
on lue of								1,257,000
et			378,000	23,000	1,511,000	1,814,000		
m sales s	2,521,000	61,874,000				(2,025,000)		
eries A	(1,408,000)	(34,882,000)				1,056,000	(1,166,000)	
ales and s, net			2,000			(64,000)		
ividends							(14,413,000)	
common terests							(14,434,000)	
OP Units ck			3,000			24,000		
Units OP								
						(498,000)		

ustment rs								
terest						(504,000)		
terest								
, 2013	7,950,000	$ 190,661,000	72,200,000	$ 4,332,000	$ (20,191,000)	$ 747,997,000	$ (393,819,000)	$ (1,303,000)

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CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENT OF EQUITY

Years ended December 31, 2013, 2012 and 2011

(continued)

	Noncontrolling Interests			
	Minority interests in consolidated joint ventures	Limited partners OP Units	Total	Total equity
BALANCE, DECEMBER 31, 2010	$ 62,050,000	$ 6,355,000	$ 68,405,000	$ 698,471,000
Net (loss)	(2,507,000)	(1,320,000)	(3,827,000)	(107,388,000)
Unrealized gain on change in fair value of cash flow hedges		(5,000)	(5,000)	6,000
Unrealized loss on change in fair value of cash flow hedge unconsolidated joint venture				(118,000)
Share-based compensation, net				1,633,000
Net proceeds from the sale of common stock				225,000
Net proceeds from dividend reinvestment and direct stock purchase plan				4,080,000
Preferred stock dividends				(14,200,000)
Distributions to common shareholders/ noncontrolling interests	(3,301,000)	(276,000)	(3,577,000)	(28,282,000)
Contribution from minority interest partners	269,000		269,000	269,000
Reallocation adjustment of limited partners interest		664,000	664,000	1,076,000
BALANCE, DECEMBER 31, 2011	56,511,000	5,418,000	61,929,000	555,772,000
Net income (loss)	4,335,000	(35,000)	4,300,000	34,006,000
Unrealized gain on change in fair value of cash flow hedges		1,000	1,000	836,000
Unrealized gain on change in fair value of cash flow hedge unconsolidated joint venture				118,000
Share-based compensation, net				3,622,000
Net proceeds from sales of Series B shares				124,370,000
Redemptions/repurchases of Series A shares				(124,937,000)
Common stock sales and issuance expenses, net				(172,000)
Preferred stock dividends				(14,819,000)
Distributions to common shareholders/ noncontrolling interests	(4,182,000)	(74,000)	(4,256,000)	(18,658,000)
Conversions of OP Units into common stock		(3,998,000)	(3,998,000)	3,897,000
Reallocation adjustment of limited partners interest		78,000	78,000	80,000

Acquisition of noncontrolling interest	(13,743,000)		(13,743,000)	(6,148,000)
Disposition of noncontrolling interest	(36,840,000)		(36,840,000)	(36,840,000)
BALANCE, DECEMBER 31, 2012	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

See accompanying notes to consolidated financial statements

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CEDAR REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years ended December 31,		
	2013	**2012**	**2011**
OPERATING ACTIVITIES			
Net income (loss)	$ 14,202,000	$ 34,015,000	$ (108,514,000)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Equity in income of unconsolidated joint ventures		(1,481,000)	(1,671,000)
Distributions from unconsolidated joint ventures		1,481,000	1,399,000
Acquisition transactions costs and terminated projects	182,000	116,000	1,436,000
Impairment (reversals)/charges, net	2,877,000	5,783,000	95,606,000
Gain on extinguishment of debt obligations	(10,452,000)		
Gain on sales	(609,000)	(5,676,000)	(1,014,000)
(Gain) loss on exit from unconsolidated joint ventures		(30,526,000)	7,961,000
Straight-line rents	(1,481,000)	(997,000)	(1,611,000)
Provision for doubtful accounts	1,572,000	2,826,000	3,270,000
Depreciation and amortization	45,663,000	44,674,000	48,606,000
Amortization of intangible lease liabilities	(4,446,000)	(5,364,000)	(6,524,000)
Expense and market price adjustments relating to share-based compensation, net	3,701,000	3,561,000	4,503,000
Amortization (including accelerated write-off) of deferred financing costs	2,162,000	4,875,000	4,138,000
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:			
Rents and other receivables, net	(1,606,000)	(307,000)	(3,374,000)
Prepaid expenses and other	(2,696,000)	(195,000)	(2,535,000)
Accounts payable and accrued liabilities	607,000	(2,307,000)	(2,578,000)
Net cash provided by operating activities	49,676,000	50,478,000	39,098,000
INVESTING ACTIVITIES			
Acquisitions of real estate	(33,000,000)		(51,512,000)
Expenditures for real estate improvements	(20,288,000)	(31,387,000)	(40,492,000)
Net proceeds from sales of real estate	34,713,000	34,858,000	30,586,000
Net proceeds from exit from unconsolidated joint venture		41,551,000	
Net proceeds from transfers to unconsolidated joint venture			3,545,000
Investments in and advances to unconsolidated joint ventures			(4,300,000)
Repayment of note receivable	1,100,000		
Distributions of capital from unconsolidated joint venture		2,846,000	4,315,000
Construction escrows and other	2,221,000	2,356,000	(6,235,000)
Net cash (used in) provided by investing activities	(15,254,000)	50,224,000	(64,093,000)

FINANCING ACTIVITIES			
Net advances/(repayments) under revolving credit facility	72,500,000	(85,317,000)	33,720,000
Advances under term loans	50,000,000	75,000,000	
Repayment under term loan	(75,000,000)		
Proceeds from mortgage refinancings		30,000,000	45,791,000
Mortgage repayments	(77,069,000)	(79,637,000)	(17,404,000)
Payments of debt financing costs	(1,893,000)	(4,944,000)	(1,068,000)
Noncontrolling interests:			
Purchase of joint venture minority interests share	(1,552,000)	(6,148,000)	
Contributions from consolidated joint venture minority interests			269,000
Distributions to consolidated joint venture minority interests	(665,000)	(4,182,000)	(3,301,000)
Distributions to limited partners	(52,000)	(99,000)	(508,000)
Redemptions of OP Units	(170,000)		
Common stock sales and issuance expenses, net	(64,000)	(172,000)	4,305,000
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	(14,429,000)	(14,782,000)	(14,200,000)
Distributions to common shareholders	(14,434,000)	(14,402,000)	(24,705,000)
Net cash (used in) provided by financing activities	(37,971,000)	(105,250,000)	22,899,000
Net (decrease) in cash and cash equivalents	(3,549,000)	(4,548,000)	(2,096,000)
Cash and cash equivalents at beginning of period	7,522,000	12,070,000	14,166,000
Cash and cash equivalents at end of period	$ 3,973,000	$ 7,522,000	$ 12,070,000

See accompanying notes to consolidated financial statements.

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2013

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, 2013, the Company owned and managed a portfolio of 65 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, 2013, the Company owned a 99.3% economic interest in, and was the sole general partner of, the Operating Partnership. The limited partners interest in the Operating Partnership (0.7% at December 31, 2013) is represented by Operating Partnership Units (OP Units). The carrying amount of such interest is adjusted at the end of each reporting period to an amount equal to the limited partners ownership percentage of the Operating Partnership s net equity. The approximately 516,000 OP Units outstanding at December 31, 2013 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 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.

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2013

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) its partners are not required to fund additional capital requirements, (3) it has an economic interest greater than its voting proportion and (4) it participates in the management activities that significantly impact the performance of the joint venture. As a result of these and other factors, the Company includes 100% of the joint venture s results of operations in net income (loss) attributable to common shareholders. At December 31, 2013, this VIE owned real estate with a carrying value of $41.1 million and no mortgage loan payable.

With respect to its two other consolidated joint venture properties, the Company is the general partner and has a partnership interest of 40% in each. As (1) such entities are not VIEs, and (2) the Company is the sole general partner and exercises substantial operating control over these entities, the Company has determined that such entities should be consolidated for financial statement purposes. Current accounting guidance provides a framework for determining whether a general partner controls, and should consolidate, a limited partnership or similar entity in which it owns a minority interest.

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 Properties Held For Sale and Related Transactions) 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) its partners were not required to fund additional capital requirements, (3) it has an economic interest greater than its voting proportion, and (4) it participated in the management activities that significantly impact the performance of the joint venture. As a result of these and other factors, the Company included 100% of the joint ventures results of operations in net income (loss) attributable to common shareholders.

The Company also had a 20% interest in the Cedar/RioCan joint venture, which the 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).

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2013

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

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

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

The consolidated financial statements reflect certain reclassifications of prior period amounts to conform to the 2013 presentation, principally to reflect the sale and/or treatment as held for sale/conveyance of certain operating properties and the treatment thereof as discontinued operations . The reclassifications had no impact on previously-reported net income attributable to common shareholders or earnings per share.

Real Estate Investments

Real estate investments are carried at cost less accumulated depreciation. The provision for depreciation is calculated using the straight-line method based upon the estimated useful lives of the respective assets of between 3 and 40 years. Depreciation expense amounted to $41.1 million, $40.0 million and $38.8 million for 2013, 2012 and 2011, 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.

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2013

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

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

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.

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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 2013, 2012 and 2011.

In 2013, 2012, and 2011, the Company included in acquisition transaction costs and terminated projects (1) $0.2 million, $0.1 million and $0.9 million, respectively, related to properties the Company acquired, and (2) costs incurred for potential development projects of $0, $0 and $0.5 million, respectively, that the Company determined would not go forward.

Cash and Cash Equivalents / Restricted Cash

Cash and cash equivalents consist of cash in banks and short-term investments with original maturities of less than ninety days, and include cash at consolidated joint ventures of $1.5 million and $1.6 million at December 31, 2013 and 2012, respectively.

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

Fair Value Measurements

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

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

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

the full term of the financial instrument.

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

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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 revenues. When management analyzes accounts receivable and evaluates the adequacy of the allowance for doubtful accounts, it considers such things as historical bad debts, tenant creditworthiness, current economic trends, current developments relevant to a tenant s business specifically and to its business category generally, and changes in tenants payment patterns. The allowance for doubtful accounts was $5.1 million and $5.4 million at December 31, 2013 and 2012, respectively. The provision for doubtful accounts (included in operating, maintenance and management expenses) was $1.8 million, $1.9 million and $1.9 million in 2013, 2012 and 2011, respectively.

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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, 2013, 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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Noncontrolling Interest Limited Partners Mezzanine OP Units

The Company follows the accounting guidance related to noncontrolling interests in consolidated financial statements, which clarifies that a noncontrolling interest in a subsidiary (minority interests or certain limited partners interest, in the case of the Company), subject to the classification and measurement of redeemable securities, is an ownership interest in a consolidated entity which should be reported as equity in the parent company s consolidated financial statements. The guidance requires a reconciliation of the beginning and ending balances of equity attributable to noncontrolling interests and disclosure, on the face of the consolidated income statement, of those amounts of consolidated net income attributable to the noncontrolling interests. The Company classifies the balances related to minority interests in consolidated joint ventures and limited partners interest in the Operating Partnership into the consolidated equity accounts, as appropriate. Certain noncontrolling interests of the Company are classified in the mezzanine section of the balance sheet (the mezzanine OP Units) as such OP Units do not meet the requirements for equity classification (certain of the holders of such OP Units have registration rights that provide such holders with the right to demand registration under the federal securities laws of the common stock of the Company issuable upon conversion of such OP Units). The Company adjusts the carrying value of the mezzanine OP Units each period to equal the greater of its historical carrying value or its redemption value. Through December 31, 2013, there have been no cumulative net adjustments recorded to the carrying amounts of the mezzanine OP Units.

Share-Based Compensation

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

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Supplemental Consolidated Statements of Cash Flows Information

	Years ended December 31,		
	2013	**2012**	**2010**
Supplemental disclosure of cash activities:			
Cash paid for interest	$ 36,114,000	$ 43,663,000	$ 47,611,000
Supplemental disclosure of non-cash activities:			
Capitalization of interest and deferred financing costs	915,000	1,314,000	2,629,000
Conversions of OP Units into common stock	24,000	7,895,000	
Issuance of OP Units in connection with a property acquisition	(1,500,000)		
Deed-in-lieu of foreclosure of a property:			
Real estate transferred	(4,724,000)		
Mortgage loan payable and related obligations settled	13,878,000		
Mortgage loans payable assumed by buyers		76,632,000	24,273,000
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)	
Acquisition of noncontrolling interests in consolidated joint venture properties		7,595,000	
Disposition of noncontrolling interests in consolidated joint venture properties		(36,840,000)	

Recently-Issued Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board issued guidance on the presentation and disclosure of reclassification adjustments out of accumulated other comprehensive income (AOCI). The standard requires an entity to present information about significant items reclassified out of AOCI by component either on the face of the statement where net income is presented or as a separate disclosure in the notes to the financial statements. The guidance was effective beginning January 1, 2013 and applied on a prospective basis. The adoption of this guidance did not have a material impact on the Company s consolidated financial statements.

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Note 3. Real Estate

Real estate activity for 2013 and 2012 is comprised of the following:

	Years ended December 31, 2013	2012
Cost		
Balance, beginning of year (a)	$ 1,413,402,000	$ 1,316,927,000
Property acquired	34,666,000	76,185,000
Land parcel sold	(1,351,000)	
Improvements and betterments	12,133,000	20,389,000
Write-off of fully-depreciated assets	(18,996,000)	(99,000)
Balance, end of the year	$ 1,439,854,000	$ 1,413,402,000
Accumulated depreciation		
Balance, beginning of the year (a)	$ (229,535,000)	$ (189,608,000)
Depreciation expense	(41,066,000)	(40,026,000)
Write-off of fully-depreciated assets	18,996,000	99,000
Balance, end of the year	$ (251,605,000)	$ (229,535,000)
Net book value	$ 1,188,249,000	$ 1,183,867,000

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

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 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 initially funded from the Company s 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 transaction costs of $0.2 million in connection with the transaction.

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

At December 31, 2013, a number of the Company s shopping center properties were pledged as collateral for mortgage loans payable. See Note 10 Mortgage Loans Payable and Credit Facility for information relating to the amendment, on an unsecured basis, of the Company s credit facility.

Note 4 Properties Held For Sale and Related Transactions

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

The carrying values of the assets and liabilities of these properties, principally the net book values of the real estate and the related mortgage loans payable to be assumed by the buyers (or conveyed to the mortgagees), have been reclassified as held for sale/conveyance on the Company s consolidated balance sheets at December 31, 2013 and December 31, 2012. In addition, the properties results of operations have been classified as discontinued operations for all years presented. The Company anticipates that sales of all such properties remaining classified as held for sale will be concluded during 2014.

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, as discussed in more detail in 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 plan to dispose of properties reclassified to held for sale/conveyance , the Company performed recoverability analyses based on the estimated undiscounted cash flows that were expected to result from the real estate investments use and eventual disposal. The projected undiscounted cash flows of each property reflected that the carrying value of each real estate investment would be recovered. However, as a result of the properties meeting the held for sale criteria, such properties were written down to the lower of their carrying value and estimated fair values less costs to sell.

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

	Years ended December 31,		
	2013	**2012**	**2011**
REVENUES			
Rents	$ 10,517,000	$ 20,608,000	$ 31,515,000
Expense recoveries and other	2,973,000	5,261,000	7,956,000
Total revenues	13,490,000	25,869,000	39,471,000
EXPENSES			
Operating, maintenance and management	3,889,000	7,476,000	9,866,000
Real estate and other property-related taxes	2,761,000	4,205,000	5,849,000
Depreciation and amortization	1,258,000	1,385,000	6,744,000
Interest	2,455,000	7,299,000	9,813,000
Early extinguishment of debt costs	437,000		
Total expenses	10,800,000	20,365,000	32,272,000
INCOME FROM OPERATIONS	2,690,000	5,504,000	7,199,000
IMPAIRMENT CHARGES, NET	(3,977,000)	(4,000)	(88,458,000)
GAIN ON EXTINGUISHMENT OF DEBT OBLIGATIONS	10,452,000		
GAIN ON SALES		4,679,000	884,000
TOTAL INCOME (LOSS) FROM DISCONTINUED OPERATIONS	$ 9,165,000	$ 10,179,000	$ (80,375,000)

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

	Years ended December 31,		
	2013	2012	2011
Impairment (reversals)/charges Ohio property loan (2013 and 2012), and land parcels (2012 and 2011) (a)	$ (1,100,000)	$ 5,779,000	$ 7,148,000
Loss on exit from unconsolidated joint venture (b)	$	$	$ 7,961,000
Impairment charges, net properties held for sale/conveyance (c)	$ 3,977,000	$ 4,000	$ 88,458,000

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

In April 2011, the Company made a two-year $4.1 million loan to the developers of a site located in Reynoldsburg, Ohio (the developers are members of the group from which the Company acquired substantially all of its drug store/convenience centers). The loan bore interest at 6.25% per annum and was collateralized by a first mortgage on the development parcel and personal guarantees from certain of the borrowers. During the fourth quarter of 2012, the borrowers failed to make a scheduled payment. The Company concluded that the loan was unlikely to be paid given (1) the current inability of the developers to find an anchor tenant for the development site, (2) certain use restrictions on the land, and (3) numerous legal judgments against individuals that provided the personal guarantees. As a result, the Company wrote off the loan and accrued interest in the fourth quarter of 2012, resulting in an impairment charge of $4.4 million. 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.

Impairment charges, net, included in discontinued operations for 2013 included impairment charges relating to properties classified as held for sale during the fourth quarter of 2013 ($3.3 million), and net impairment charges ($0.7 million) from updating valuations based on current negotiations, letters of intent, and final sales proceeds. Impairment charges included in discontinued operations for 2011 included $36.6 million related to development projects and other non-core properties, $33.1 million related to malls, $11.1 million related to the Discount Drug Mart portfolio, $5.3

million related to single-tenant/triple-net-lease properties, and $2.4 million related to the Homburg joint venture properties.

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2013 Transactions

During 2013, the Company completed the following transactions related to properties held for sale/conveyance :

Property	Percent Sold	Location	Date Sold	Sales Price	Gain on Sale
Discontinued operations:					
East Chestnut	100%	Lancaster, PA	1/2/2013	$ 3,100,000	$
Columbia Mall	100%	Bloomsburg, PA	4/17/2013	2,775,000	
Heritage Crossing	100%	Limerick, PA	5/9/2013	9,400,000	
Westlake Discount Drug Mart Plaza	100%	Westlake, OH	6/5/2013	2,240,000	
Dunmore Shopping Center	100%	Dunmore, PA	11/8/2013	4,000,000	
Roosevelt II	100%	Philadelphia, PA	11/14/2013	13,878,000 (a)	
Oakhurst Plaza	100%	Harrisburg, PA	12/11/2013	11,000,000	
				$ 46,393,000	$
Continuing operations:					
Huntingdon Plaza land parcel	100%	Huntingdon, PA	3/29/2013	$ 390,000	$ 266,000
Upland Square land parcel	100%	Pottstown, PA	11/8/2013	1,700,000	215,000
Oregon Pike (land parcel)	100%	Lancaster, PA	12/23/2013	1,451,000	
				$ 3,541,000	$ 481,000

(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.

In December 2013, the Company determined to sell the following western Pennsylvania properties to further concentrate on the region that straddles the Washington DC to Boston corridor ; (1) Huntingdon Plaza, located in Huntingdon, Pennsylvania, (2) Lake Raystown Plaza, located in Huntingdon, Pennsylvania and (3) Townfair Center, located in Indiana, Pennsylvania. As such, the properties have been treated as discontinued operations for all periods presented.

As of December 31, 2013, the Company was in the process of negotiating with the respective lenders to two of its properties (Gahanna Discount Drug Mart Plaza and McCormick Place) to convey the properties either through short sale, foreclosure, or deed-in-lieu of foreclosure processes (mortgage loans payable and accrued interest and real estate taxes aggregated $8.1 million at that date). In connection with these conveyances, each applicable subsidiary borrower has stopped paying monthly mortgage payments and is currently in default on these non-recourse mortgages. At the time of such conveyances, the Company would recognize gains (an aggregate of approximately $1.9 million as of December 31, 2013) based on the excess of the carrying amounts of the liabilities (mortgage principal and any accrued property-related expenses) over the carrying amounts of the properties.

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2012 Transactions

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

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

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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. Richard Homburg, a director of the Company until October 2011, was the Chairman and Chief Executive Officer of Homburg at the time the joint venture was formed and the buy/sell option was exercised. 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, 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.

2011 Transactions

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

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

	56,504,000	884,000

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The tenant at two properties, one owned in an unconsolidated joint venture and the other, Roosevelt II, owned 100% by the Company (acquired in October 2010), vacated both premises in April 2011, at which time both the joint venture and Roosevelt II had CMBS non-recourse first mortgage loans secured by the properties in the amounts of $14.7 million due for payment in May 2011 and $12.9 million due for payment in March 2012, respectively ($250,000 of the $12.9 million loan was guaranteed by the Company and paid in 2012). The Company reviewed its investment alternatives and determined that it would not be prudent to proceed with the development, sale or lease of the properties, or to advance the funds necessary to pay off the mortgages. Such determination was based on the uncertainty in obtaining favorable revisions to zoning, difficult existing deed restrictions, the uncertainty in achieving required economic returns given the extensive additional capital investments required, and uncertain current market conditions for sale or lease. Accordingly, during 2011, the Company wrote off its investment in the joint venture ($8.0 million) and recorded an impairment charge related to the value of Roosevelt II ($9.1 million). No payments were made on the Roosevelt II mortgage since May 2011, although the Company had been accruing interest expense and paid certain property-related maintenance/security expenses as they become due. See 2013 Transactions above for information relating to the Company conveying the deed to the property in lieu of foreclosure.

Note 5. Investment in Cedar/RioCan Joint Venture

On October 10, 2012, the Company concluded definitive agreements with RioCan to exit the 20% Cedar / 80% RioCan joint venture that owned 22 retail properties. Pursuant to the agreements, the Company exchanged its 20% interest in the joint venture for (1) a 100% ownership interest in Franklin Village Plaza, located in Franklin, Massachusetts, at an agreed-upon value of approximately $75.1 million, including the assumption of related in-place mortgage financing of approximately $43.1 million, and (2) approximately $41.6 million in cash, which was initially used to reduce the outstanding balance under the Company s credit facility. The Company continued to manage the properties acquired by RioCan subject to a management agreement which terminated effective January 31, 2013. In connection with the transactions, the Company 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, $2.8 million and $2.8 million for 2013, 2012, and 2011, 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)	Year ended December 31, 2011
Revenues	$ 49,341,000	$ 62,500,000
Property operating and other expenses	(4,373,000)	(6,631,000)
Management fees	(1,653,000)	(2,006,000)
Real estate taxes	(5,941,000)	(7,214,000)
Acquisition transaction costs	(964,000)	(917,000)
General and administrative	(174,000)	(308,000)
Depreciation and amortization	(15,769,000)	(20,616,000)
Interest and other non-operating expenses, net	(13,027,000)	(18,078,000)
Net income	$ 7,440,000	$ 6,730,000
The Company s share of net income	$ 1,481,000	$ 1,346,000

Note 6. Fair Value Measurements

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

The valuation of the liability for the Company s interest rate swaps, which is measured on a recurring basis, was determined to be a Level 2 within the valuation hierarchy, and was based on independent values provided by financial institutions. Such valuations were determined using widely accepted valuation techniques, including discounted cash flow analysis, on the expected cash flows of each derivative. The analysis reflects the contractual terms of the swaps, including the period to maturity, and uses observable market-based inputs, including interest rate curves (significant other observable inputs). The fair value calculation also includes an amount for risk of non-performance using significant unobservable inputs such as estimates of current credit spreads to evaluate the likelihood of default. The Company has concluded that, as of December 31, 2013, the fair value associated with the significant unobservable inputs relating to the Company s risk of non-performance was insignificant to the overall fair value of the interest rate swap agreements and, as a result, that the relevant inputs for purposes of calculating the fair value of the interest rate

swap agreements, in their entirety, were based upon significant other observable inputs .

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

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

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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, 2013 and December 31, 2012, respectively:

	Assets/Liabilities Measured at Fair Value on a Recurring Basis 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

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

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

The fair value of the Company s fixed rate mortgage loans payable was estimated using available market information and discounted cash flows analyses based on borrowing rates the Company believes it could obtain with similar terms and maturities. As of December 31, 2013 and December 31, 2012, the aggregate fair values of the Company s fixed rate mortgage loans payable, which were determined to be a Level 3 within the valuation hierarchy, were approximately $471.8 million and $548.4 million, respectively; the carrying values of such loans were $458.2 million and $528.8 million, respectively.

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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, 2013 and December 31, 2012, respectively:

	Assets Measured at Fair Value on a Non-Recurring Basis December 31, 2013			
Asset Description	Level 1	Level 2	Level 3	Total
Real estate held for sale/conveyance	$	$	$ 81,854,000	$ 81,854,000

	December 31, 2012			
Asset Description	Level 1	Level 2	Level 3	Total
Real estate held for sale/conveyance	$	$ 15,574,000	$ 62,219,000	$ 77,793,000

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

	Quantitative Information about Level 3 Fair Value Measurements			
	Fair value at December 31, 2013	**Valuation Technique**	**Unobservable inputs**	**Range (weighted average)**
Real estate held for sale/conveyance:				
Operating retail real estate (six properties)	$ 70,217,000	Discounted cash flow	Capitalization rates	7.8% to 11.0% (8.2%)
			Discount rates	9.2% to 11.6% (9.4%)
Land development property	10,211,000	Discounted cash flow	Capitalization rate	7.3%
			Discount rate	7.8%
Land (three parcels)	1,426,000	Sales comparison approach	Price per acre	$23,000 to $139,000 per acre ($44,000 per acre)
	$ 81,854,000			

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.

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 15%, 14% and 14% of the Company s total revenues during 2013, 2012 and 2011, respectively (excluding properties treated as discontinued operations).

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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, 28 of the Company s properties are located in Pennsylvania).

Note 8. Receivables

Receivables at December 31, 2013 and 2012 are comprised of the following:

	December 31,	
	2013	**2012**
Rents and other receivables, net	$ 3,267,000	$ 3,317,000
Straight-line rents	15,210,000	13,910,000
Other (a)	15,000	619,000
	$ 18,492,000	$ 17,846,000

(a) Includes $0.6 million at December 31, 2012, due from the Cedar/RioCan joint venture.

Note 9. Other Assets and Deferred Charges, Net

Other assets and deferred charges, net at December 31, 2013 and 2012 are comprised of the following:

	December 31,	
	2013	**2012**
Other assets:		
Prepaid expenses	$ 5,234,000	$ 5,196,000
Leasehold improvements, furniture and fixtures	1,020,000	1,161,000
Investments related to share-based compensation	435,000	450,000
Property and other deposits	356,000	152,000
Other	227,000	351,000
	7,272,000	7,310,000
Deferred charges, net:		
Lease origination costs (a)	15,187,000	14,754,000

Financing costs	5,194,000	5,529,000
Other	642,000	1,650,000
	21,023,000	21,933,000
Total other assets and deferred charges, net	$ 28,295,000	$ 29,243,000

(a) Lease origination costs include the unamortized balance of intangible lease assets resulting from purchase accounting allocations of $5.6 million (cost of $17.5 million and accumulated amortization of $11.9 million) and $6.1 million (cost of $16.7 million and accumulated amortization of $10.6 million), respectively.

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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, $7.9 million and $7.3 million for 2013, 2012 and 2011, respectively. The unamortized balances of deferred lease origination costs and deferred financing costs are net of accumulated amortization of $20.3 million and $10.2 million, respectively, and will be charged to future operations as follows (lease origination costs through 2033, and financing costs through 2029):

	Lease origination costs	Financing costs
2014	$ 2,897,000	$ 1,883,000
2015	2,453,000	1,569,000
2016	2,118,000	1,026,000
2017	1,560,000	257,000
2018	1,248,000	172,000
Thereafter	4,911,000	287,000
	$ 15,187,000	$ 5,194,000

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Note 10. Mortgage Loans Payable and Credit Facility

Debt relating to continuing operations is comprised of the following at December 31, 2013 and 2012:

	December 31, 2013			December 31, 2012		
		Interest rates			Interest rates	
Description	Balance outstanding	Weighted average	Range	Balance outstanding	Weighted average	Range
Fixed-rate mortgages (a)	$ 458,207,000	5.5%	3.1% 7.5%	$ 528,751,000	5.6%	3.1% 7.5%
Variable-rate mortgage	58,085,000	2.9%		60,417,000	3.0%	
Total property-specific mortgages	516,292,000	5.2%		589,168,000	5.3%	
Unsecured credit facility:						
Revolving facility	153,500,000	2.3%			n/a	
Term loan	50,000,000	2.3%			n/a	
	203,500,000	2.3%			n/a	
Secured credit facility:						
Revolving facility		n/a		81,000,000	2.8%	
Term loan		n/a		75,000,000	2.8%	
		n/a		156,000,000	2.8%	
	$ 719,792,000	4.3%		$ 745,168,000	4.8%	

(a) At December 31, 2012, the Company had two mortgage loans payable aggregating approximately $19.3 million subject to interest rate swaps which converted the LIBOR-based variable rates to fixed annual rates of 5.4% and 6.5% per annum. These loans were repaid during 2013.

Mortgage Loans Payable

Mortgage loan activity for 2013 and 2012 is summarized as follows:

	Years ended December 31,	
	2013	**2012**
Balance, beginning of year (a)	$ 589,168,000	$ 570,372,000
New mortgage borrowings and assumptions (b)		74,605,000
Repayments	(72,876,000)	(55,809,000)
Balance, end of the year	$ 516,292,000	$ 589,168,000

(a) Restated to reflect the reclassifications of properties subsequently treated as held for sale/conveyance .
(b) Includes $1.5 million increase relating to Franklin Village Plaza purchase accounting allocations in 2012.

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During 2013 and 2012, the Company paid off $64.0 million and $63.3 million (including $19.0 million classified as held for sale/conveyance in 2012) of mortgage loans payable, respectively, of which $44.9 million and $63.3 million, respectively, represented prepayments. In this connection, during 2013 and 2012, the Company incurred charges relating to early extinguishment of mortgage loans payable (prepayment penalties and accelerated amortization of deferred financing costs) of $543,000 (including $437,000 classified as discontinued operations in 2013) and $66,000 respectively.

Mortgage Loans Payable Real Estate Held for Sale/Conveyance

Debt included in discontinuing operations is comprised of the following at December 31, 2013 and 2012:

	December 31, 2013			December 31, 2012		
		Interest rates			Interest rates	
Description	Balance outstanding	Weighted average	Range	Balance outstanding	Weighted average	Range
Fixed-rate mortgages (a)	$ 22,848,000	5.4%	5.2% 6.1%	$ 39,306,000	5.7%	5.2% 6.5%

(a) At December 31, 2013 and 2012, the Company had a mortgage loan payable of approximately $11.9 million and $12.2 million, respectively, subject to an interest rate swap which converted the LIBOR-based variable rate to a fixed annual rate of 5.2% per annum.

Unsecured Credit Facility

On August 1, 2013, the Company amended and extended, on an unsecured basis, its credit facility. As amended, the $310 million credit facility is comprised of a three-year $260 million revolving credit facility, expiring on August 1, 2016, and a five-year $50 million term loan, expiring on August 1, 2018. Subject to customary conditions, the revolving credit facility may be extended, at the Company s option, for two additional one-year periods. Under an accordion feature, the new facility can be increased to $500 million, subject to customary conditions, and lending commitments from participating banks. The new facility contains financial covenants including, but not limited to, maximum debt leverage, maximum secured debt, minimum interest coverage, minimum fixed charge coverage, and minimum net worth. In addition, the new facility contains restrictions including, but not limited to, limits on indebtedness, certain investments and distributions. Although the new facility is unsecured, borrowing availability is based on unencumbered property adjusted net operating income, as defined in the agreement. The Company s failure to comply with the covenants or the occurrence of an event of default under the new facility could result in the acceleration of the related debt. In connection with the transaction, the Company paid fees and legal expenses of approximately $1.7 million.

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Borrowings under the credit facility are priced at LIBOR plus 195 basis points (bps) (a weighted average rate of 2.3% per annum at December 31, 2013), and can range from LIBOR plus 165 to 225 bps based on the Company s leverage ratio. As of December 31, 2013, the Company had $153.5 million outstanding under the revolving credit facility and $50.0 million outstanding under the term loan, and had $91.3 million available for additional borrowings. On February 11, 2014, the loan agreement was amended to modify the interest rate on the $50.0 term loan to match that of the new five-year $75.0 million unsecured term loan (see below).

Unsecured Term Loans

On February 11, 2014, the Company closed $150 million of unsecured term loans consisting 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. Under an accordion feature, the term loans can be increased to an aggregate of $300 million, subject to customary conditions and lending commitments from participating banks. The financial covenants and other terms contained in the loan agreement are substantially the same as those contained in the Company s unsecured credit facility. In connection with the transaction, the Company paid fees and legal expenses of approximately $1.1 million.

The five-year term loan is initially priced at LIBOR plus 175 bps, and can range from LIBOR plus 145 bps to 205 bps based on the Company s leverage ratio. The seven-year term loan is initially priced at LIBOR plus 200 bps, and can range from LIBOR plus 170 bps to 230 bps, also based on the Company s leverage ratio. 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, 2014 through their maturities. As a result, the effective fixed interest rates will be 3.37% for the five-year term loan and 4.27% for the seven-year term loan beginning July 1, 2014, based on the Company s leverage ratio at closing.

Prior Credit Facility

From January 26, 2012 through August 1, 2013, the Company had a $300 million secured credit facility comprised of a four-year $75 million term loan and a three-year $225 million revolving credit facility, subject to collateral in place. This facility had combined and replaced two prior secured facilities which were due to expire in 2012. In connection with the credit facility, the Company paid participating lender fees and closing and transaction costs of approximately $4.0 million. In addition, the Company wrote off $2.6 million of unamortized fees associated with the terminated stabilized property and development credit facilities.

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Scheduled Principal Payments

Scheduled principal payments on mortgage loans payable and the credit facility at December 31, 2013, due on various dates from 2014 to 2029, are as follows:

2014	$ 157,823,000(a)
2015	68,821,000
2016	293,039,000(b)
2017	62,962,000
2018	70,199,000
Thereafter	66,948,000
	$ 719,792,000

(a) Substantially all 2014 debt requirements will be refinanced from the proceeds of the unsecured term loans which closed on February 11, 2014 (see above).
(b) Includes $153.5 million subject to two one-year extension options.

Derivative Financial Instruments

At December 31, 2013, the Company had a mortgage loan payable of approximately $11.9 million (included in mortgage loans payable real estate held for sale/conveyance on the consolidated balance sheet) subject to an interest rate swap. The interest rate swap converted the LIBOR-based variable rate to a fixed rate of 5.2% per annum. At that date, the Company had accrued liabilities of $0.6 million (included in accounts payable and accrued liabilities on the consolidated balance sheet) relating to the fair value of the interest rate swap applicable to the existing mortgage loan payable. Charges and/or credits relating to the changes in the fair value of the interest rate swap 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 appropriate.

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The following is a summary of the derivative financial instruments held by the Company at December 31, 2013 and December 31, 2012:

Designation/ Cash flow	Derivative	Notional values December 31, 2013 Count	Notional values December 31, 2013	Notional values December 31, 2012 Count	Notional values December 31, 2012	Maturity date	Balance sheet location	Fair value December 31, 2013	Fair value December 31, 2012
	Interest rate swaps						Accrued liabilities		
Qualifying	Consolidated	1	$ 11,894,000(a)	3	$ 31,417,000(a)	2018	Consolidated	$ 647,000	$ 1,577,000

(a) For the years ended December 31, 2013 and 2012, $11.9 million and $12.2 million, respectively, are included in mortgage loans payable real estate held for sale/conveyance on the consolidated balance sheets.

The following presents the effect of the Company s derivative financial instruments on the consolidated statements of operations and the consolidated statements of equity for 2013, 2012 and 2011, respectively:

Designation/ Cash flow	Derivative	Amount of gain recognized in other comprehensive income (loss) (effective portion) Years ended December 31, 2013	2012	2011
Qualifying	Consolidated	$ 1,260,000(a)	$ 836,000	$ (398,000)
Qualifying	Cedar/RioCan Joint Venture	$	$ 118,000	$ (118,000)

(a) For the year ended December 31, 2013, $1,058,000 was reclassified from other comprehensive income to interest expense in the consolidated statements of operations, of which $309,000 was included in discontinued operations.

As of December 31, 2013, 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, 2013, if a counterparty were to default, the Company would receive a net interest benefit.

Note 11. Intangible Lease Asset/Liability

Unamortized intangible lease liabilities that relate to below-market leases amounted to $26.9 million and $30.5 million at December 31, 2013 and December 31, 2012, respectively. Unamortized intangible lease assets that relate to above-market leases amounted to $0.2 million and $0.4 million at December 31, 2013 and December 31, 2012, respectively.

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The unamortized balance of intangible lease liabilities at December 31, 2013 is net of accumulated amortization of $53.1 million, and will be credited to future operations through 2043 as follows:

2014	$ 4,498,000
2015	3,384,000
2016	2,561,000
2017	2,306,000
2018	2,215,000
Thereafter	11,904,000
	$ 26,868,000

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, which it leased from a partnership owned in part by the Company s former Chairman and Chief Executive Officer. The terms of the lease, which will expire in February 2020, provide for future minimum rents as follows: 2014 $523,000, 2015 $537,000, 2016 $552,000, 2017 $567,000, 2018 $583,000 and thereafter -$699,000. 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 or fair market value adjustments, as follows: 2014 $1.0 million, 2015 $1.0 million, 2016 $1.0 million, 2017 $0.5 million, 2018 $0.3, and thereafter $8.4 million.

Rent expense was $1.4 million, $1.4 million and $1.3 million for 2013, 2012 and 2011, respectively.

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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. In May 2012, the Company concluded a public offering of 400,000 shares of Series B Preferred Stock at $23.00 per share, and realized net proceeds, after offering expenses, of approximately $8.6 million. On September 11, 2012, the Company concluded another public offering of 4,200,000 shares of its Series B Preferred Stock at $23.94 per share, and realized net proceeds, after offering expenses, of approximately $96.8 million. On September 14, 2012, the underwriters exercised their over-allotment option to the extent of 630,000 additional shares of the Company s Series B Preferred Stock, and the Company realized additional net proceeds of $14.5 million. On February 12, 2013, the Company concluded a further public offering of 2,000,000 shares of its Series B Preferred Stock at $24.58 per share, and realized net proceeds, after offering expenses, of approximately $47.6 million. On February 12, 2013, the underwriters exercised their over-allotment option to the extent of 300,000 additional shares of the Company s Series B Preferred Stock, and the Company realized additional net proceeds of $7.1 million.

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

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. During 2012, the Company redeemed and/or purchased on the open-market approximately 4,992,000 shares of its Series A Preferred Stock for a total cash outlay of $126.4 million (including $1.2 million of redemption costs and $1.6 million of accrued dividends). On 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.

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2013

Common Stock

On August 6, 2013, the Company entered into an at-the-market continuous 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, 2013, 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 2013 and 2012. At December 31, 2013, there remained 2,852,000 shares authorized under the DRIP.

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.

OP Units

During 2013 and 2012, holders of 3,000 and 1,134,000 OP Units (including 564,000 mezzanine OP Units in 2012), respectively, converted their holdings to shares of the Company s common stock. In connection therewith, $3.9 million of the carrying value of mezzanine OP Units was reclassified to equity in 2012. In addition, 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 approximately 270,000 OP Units.

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

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Dividends

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

	Years ended December 31,		
	2013	**2012**	**2011**
Common stock	$ 0.200	$ 0.200	$ 0.360
Cumulative Redeemable Preferred Stock:			
8.875% Series A	$	$ 2.219	$ 2.219
7.250% Series B	$ 1.812	$ 0.906	$

At December 31, 2013 and 2012, there were $1.6 million and $1.7 million, respectively, of accrued preferred stock dividends.

On January 27, 2014, 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 7.25% Series B Preferred Stock. The distributions are payable on February 20, 2014 to shareholders of record on February 10, 2014.

Note 14. Revenues

Rents and Expense Recoveries

Rents for 2013, 2012 and 2011, respectively, are comprised of the following:

	Years ended December 31,		
	2013	**2012**	**2011**
Base rents	$ 103,166,000	$ 96,897,000	$ 93,125,000
Percentage rent	804,000	1,001,000	985,000
Straight-line rents	1,387,000	930,000	1,084,000
Amortization of intangible lease liabilities	4,441,000	5,359,000	5,731,000
Total rents	$ 109,798,000	$ 104,187,000	$ 100,925,000

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Annual future base rents due to be received under non-cancelable operating leases in effect at December 31, 2013 are approximately as follows (excluding those base rents applicable to properties treated as discontinued operations):

2014	$ 103,574,000
2015	94,377,000
2016	83,577,000
2017	71,808,000
2018	62,758,000
Thereafter	280,816,000
	$ 696,910,000

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 $29.3 million, $26.5 million and $27.0 million for 2013, 2012 and 2011, respectively. Such amounts do not include amortization of intangible lease liabilities.

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 revenue includes lease termination income (approximately $3.0 million) and fees earned from the Cedar/RioCan joint venture in 2012. 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 $244,000, $253,000, and $275,000 for 2013, 2012, and 2011, respectively.

Note 16. Management Transition Charges and 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 management transition charges and employee termination costs in the consolidated statements of

operations).

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In June 2011, the Company s then Chairman of the Board, Chief Executive Officer and President retired, and the employment of the Company s then Chief Financial Officer ended. Pursuant to their respective employment and/or separation agreements, (1) they received an aggregate of approximately $3.7 million in cash severance payments (including the cost of related payroll taxes and benefits), and (2) all of their unvested restricted share grants became vested and all related amounts were written off (an aggregate of approximately $2.0 million see Note 17 Share-Based Compensation). Together with approximately $1.2 million of other non-recurring costs, primarily professional fees and expenses related to the hiring of a new President/Chief Executive Officer and Chief Financial Officer, the Company recorded an aggregate charge of approximately $6.9 million (included in management transition charges and employee termination costs in the consolidated statements of operations).

Note 17. Share-Based Compensation

The following tables set forth certain share-based compensation information for 2013, 2012, and 2011, respectively:

	Years ended December 31,		
	2013	**2012**	**2011**
Share-based compensation:			
Expense relating to share grants (a)	$ 4,108,000	$ 3,903,000	$ 5,665,000
Adjustments to reflect changes in market price of Company s common stock		10,000	(775,000)
Amounts capitalized	(407,000)	(352,000)	(387,000)
Total charged to operations (b)	$ 3,701,000	$ 3,561,000	$ 4,503,000

	Shares	**Weighted average grant date value**
Unvested shares, December 31, 2012	3,515,000	$ 4.83
Restricted share grants	584,000	5.65
Vested during period	(341,000)	5.53
Forfeitures/cancellations	(68,000)	5.17
Unvested shares, December 31, 2013	3,690,000	$ 4.89

(a) The 2012 and 2011 amounts include expense relating to equity and liability awards, as discussed below.
(b) The 2012 and 2011 amounts include $362,000 and $1,980,000, respectively, applicable to accelerated vestings that are included in management transition charges and employee termination costs.

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Cedar Realty Trust, Inc.

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December 31, 2013

The Company s 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, 2013, 1.8 million shares remained available for grants pursuant to the 2012 Plan and, at that date, there remained an aggregate of approximately $11.4 million applicable to all grants and awards to be expensed over a weighted average period of 4.0 years.

During 2013, there were 584,000 time-based restricted shares issued 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 issued with a weighted average grant date fair value of $4.75 per share. During 2011, in addition to shares issued to the Company s President and Chief Executive Officer and shares issued as performance-based grants, as discussed below, there were 436,000 other time-based restricted shares issued with a weighted average grant date fair value of $5.97 per share.

The per share weighted average grant date fair values of shares granted during 2013, 2012, and 2011 were $5.65, $4.68 and $5.40, respectively. The total fair values of shares vested during 2013, 2012, and 2011 were $1,863,000, $2,126,000, and $5,507,000, respectively (the 2012 and 2011 amounts include $585,000 and $3,569,000, respectively, applicable to accelerated vestings).

In June 2011, in connection with the retirement of the Company s Chairman of the Board, Chief Executive Officer and President, and the end of the employment of the Company s Chief Financial Officer (see Note 16 Management Transition Charges and Employee Termination Costs), all of their outstanding restricted share grants, consisting of time-based grants (284,000 shares) and performance-based grants (422,000 shares) became vested (an aggregate of 706,000 shares), and were expensed in full at the then market value of the shares (an aggregate of approximately $2.0 million).

The Company s new President and Chief Executive Officer was to receive restricted share grants totaling 2.5 million shares, one-half of which to be time-based, vesting upon the seventh anniversary of the date of grant (vesting on June 15, 2018), and the other half to be performance-based, to be earned if the total annual return on an investment in the Company s common stock (TSR) is at least an average of 6.5% per year for the seven years ending June 15, 2018. An independent appraisal determined the value of the performance-based award to be $4.39 per share compared to a market price at the date of grant of $4.98 per share. As a result of a per-person limitation within the Company s 2004 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 were paid on all the shares, including the equity and liability award shares, with the dividends paid on the equity award shares treated as distributions to common shareholders and included in the statement of equity, and the dividends paid on the liability award shares treated as compensation and included in the statement of operations. In addition, with respect to the liability award, adjustments to reflect changes in the fair value of the award (based on changes in the market price of

the Company s common stock) were also charged to operations.

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In January 2011, the Company issued 275,000 shares of common stock as performance-based grants, with vesting to be based on the TSR over the three years ended December 31, 2013. After accelerated vestings of certain of the shares during the three-year vesting period, only 63,000 shares remained. Portions of each grant would vest (1) if the TSR on the Company s common stock is equal to or greater than a specified average return per year (the Absolute TSR), and (2) if there is a positive comparison of the TSR on the Company s common stock to the Company s peer group (the Relative TSR). As the Company did not achieve either TSR measure, none of the remaining shares vested. The Company had obtained independent appraisals to determine the values of each category of the performance-based shares issued, which is summarized as follows:

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

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

December 31, 2013

Note 18. Nonconcontrolling Interest Limited Partners Mezzanine OP Units

	December 31,	
	2013	**2012**
Balance, beginning of year	$ 623,000	$ 4,616,000
Net (loss) income	(2,000)	9,000
Total other comprehensive (loss) income	(2,000)	9,000
Distributions	(14,000)	(25,000)
Conversions of OP Units into shares of common stock		(3,897,000)
Redemptions of OP Units	(160,000)	
Reallocation adjustment of limited partners interest	(33,000)	(80,000)
Balance, end of year	$ 414,000	$ 623,000

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 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 2013, 2012 and 2011, the Company had 3.8 million, 3.3 million and 2.3 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 2013, 2012 and 2011, respectively:

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Cedar Realty Trust, Inc.

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December 31, 2013

	Years ended December 31,		
	2013	**2012**	**2011**
Numerator			
Income (loss) from continuing operations	$ 5,037,000	$ 23,836,000	$ (28,139,000)
Preferred stock dividends	(14,413,000)	(14,819,000)	(14,200,000)
Preferred stock redemption costs	(1,166,000)	(4,998,000)	
Net loss attributable to noncontrolling interests	247,000	375,000	920,000
Net earnings allocated to unvested shares	(758,000)	(806,000)	(810,000)
(Loss) income from continuing operations attributable to common shareholders	(11,053,000)	3,588,000	(42,229,000)
Results from discontinued operations, net of noncontrolling interests	9,164,000	5,495,000	(76,342,000)
Net (loss) income attributable to common shareholders, basic and diluted	$ (1,889,000)	$ 9,083,000	$ (118,571,000)
Denominator			
Weighted average number of vested common shares outstanding	68,381,000	68,017,000	66,387,000
(Loss) earnings per common share, basic and fully diluted			
Continuing operations	$ (0.16)	$ 0.05	$ (0.64)
Discontinued operations	$ 0.13	$ 0.08	$ (1.15)
	$ (0.03)	$ 0.13	$ (1.79)

Fully-diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into shares of common stock. The net loss attributable to noncontrolling interests of the Operating Partnership has been excluded from the numerator and the related OP Units have been excluded from the denominator for the purpose of calculating diluted EPS as there would have been no effect had such amounts been included. The weighted average number of OP Units outstanding for 2013, 2012 and 2011 were 297,000, 459,000 and 1,415,000, respectively. In addition, warrants for the purchase of OP Units, which expired on May 31, 2012, have been excluded as they were anti-dilutive for all applicable periods.

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Cedar Realty Trust, Inc.

Notes to Consolidated Financial Statements

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Note 20. Selected Quarterly Financial Data (unaudited)

	Quarter ended			
Year	**March 31**	**June 30**	**September 30**	**December 31**
2013				
Revenues as previously reported	$ 36,963,000	$ 35,371,000	$ 35,438,000	$ 35,166,000
Revenues from discontinued operations and reclassifications (a)	(1,404,000)	(1,450,000)	(1,260,000)	
Revenues	$ 35,559,000	$ 33,921,000	$ 34,178,000	$ 35,166,000
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
2012				
Revenues as previously reported	$ 34,384,000	$ 36,898,000	$ 33,489,000	$ 35,813,000
Revenues from discontinued operations and reclassifications (a)	(1,165,000)	(1,227,000)	(1,200,000)	(1,266,000)
Revenues	$ 33,219,000	$ 35,671,000	$ 32,289,000	$ 34,547,000
Net (loss) income	$ (4,868,000)	$ 5,895,000	$ 2,298,000	$ 30,690,000
Net (loss) income attributable to common shareholders	$ (9,340,000)	$ 1,236,000	$ (4,299,000)	$ 22,292,000
Per common share (basic and diluted) (b)	$ (0.14)	$ 0.01	$ (0.07)	$ 0.31

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

Note 21. Subsequent Events

In determining subsequent events, management reviewed all activity from January 1, 2014 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, 2013

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	137,592	$ 2,406,000	$ 9,623,000
Annie Land Plaza	VA	2006	100%	1999	42,500	809,000	4,015,000
Big Y Shopping Center	CT	2013	100%	2007	101,105	11,272,000	23,395,000
Camp Hill	PA	2002	100%	1958/2005	470,117	4,460,000	17,857,000
Carbondale Plaza	PA	2004	100%	1972/2010	120,689	1,586,000	7,289,000
Carll s Corner	NJ	2007	100%	1960 s-1999	129,582	3,034,000	15,293,000
Carmans Plaza	NY	2007	100%	1954/2007	194,082	8,539,000	35,804,000
Circle Plaza	PA	2007	100%	1979/1991	92,171	561,000	2,884,000
Coliseum Marketplace	VA	2005	100%	1987/2012	105,998	2,924,000	14,416,000
Colonial Commons	PA	2011	100%	2011/2013	461,905	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
Fairview Plaza	PA	2003	100%	1992/2005	71,979	2,128,000	8,483,000
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	303,461	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	79,209	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
Liberty Marketplace	PA	2005	100%	2003	68,200	2,665,000	12,639,000
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, 2013

(continued)

Property	Subsequent cost capitalized	Gross amount at which carried at December 31, 2013 Land	Building and improvements	Total	Accumulated depreciation (3)	Amount of Encumbrance
Academy Plaza	$ 3,559,000	$ 2,406,000	$ 13,182,000	$ 15,588,000	$ 3,695,000	
Annie Land Plaza	219,000	809,000	4,234,000	5,043,000	1,050,000	
Big Y Shopping Center		11,272,000	23,395,000	34,667,000	103,000	
Camp Hill	43,617,000	4,424,000	61,510,000	65,934,000	14,651,000	63,382,000
Carbondale Plaza	5,514,000	1,586,000	12,803,000	14,389,000	3,605,000	
Carll s Corner	(1,067,000)	2,898,000	14,362,000	17,260,000	3,163,000	
Carmans Plaza	(321,000)	8,421,000	35,601,000	44,022,000	7,362,000	33,437,000
Circle Plaza	103,000	546,000	3,002,000	3,548,000	515,000	
Coliseum Marketplace	5,355,000	3,586,000	19,109,000	22,695,000	4,810,000	11,142,000
Crossroads II	28,679,000	17,671,000	26,391,000	44,062,000	2,920,000	
Colonial Commons	2,188,000	9,367,000	39,684,000	49,051,000	5,120,000	26,784,000
Elmhurst Square	513,000	1,371,000	6,507,000	7,878,000	1,628,000	3,723,000
Fairview Commons	3,000	858,000	3,571,000	4,429,000	875,000	
Fairview Plaza	337,000	2,129,000	8,819,000	10,948,000	2,639,000	
Fieldstone Marketplace	611,000	5,167,000	22,113,000	27,280,000	5,775,000	17,093,000
Fort Washington	5,176,000	2,462,000	5,176,000	7,638,000	1,538,000	
Franklin Village Plaza	593,000	14,681,000	62,097,000	76,778,000	3,209,000	43,206,000
Fredericksburg Way		3,213,000	12,758,000	15,971,000	3,013,000	
General Booth Plaza	301,000	1,935,000	9,794,000	11,729,000	3,112,000	
Glen Allen Shopping Center	3,000	5,367,000	2,088,000	7,455,000	598,000	
Gold Star Plaza	363,000	1,644,000	6,882,000	8,526,000	1,811,000	1,551,000
Golden Triangle	9,926,000	2,320,000	19,639,000	21,959,000	6,297,000	19,697,000
Groton Shopping Center	385,000	3,073,000	12,702,000	15,775,000	2,982,000	11,160,000
Halifax Plaza	246,000	1,347,000	6,110,000	7,457,000	1,725,000	
Hamburg Square	5,403,000	1,153,000	10,081,000	11,234,000	2,312,000	4,833,000

Jordan Lane	1,227,000	4,291,000	22,403,000	26,694,000	5,844,000	12,125,000
Kempsville Crossing	(4,113,000)	2,207,000	6,887,000	9,094,000	3,745,000	
Kenley Village	295,000	726,000	3,807,000	4,533,000	1,284,000	
Kings Plaza	351,000	2,408,000	12,960,000	15,368,000	2,931,000	7,231,000
Liberty Marketplace	348,000	2,695,000	12,957,000	15,652,000	3,187,000	8,265,000
Meadows Marketplace	11,406,000	1,914,000	11,406,000	13,320,000	2,276,000	9,633,000
Mechanicsburg Giant		2,709,000	12,159,000	14,868,000	2,803,000	8,425,000
Metro Square	(301,000)	5,250,000	9,911,000	15,161,000	1,618,000	8,272,000
Newport Plaza	379,000	1,682,000	8,176,000	9,858,000	2,179,000	
New London Mall	1,139,000	8,807,000	32,190,000	40,997,000	7,151,000	26,990,000
Northside Commons	10,008,000	3,379,000	9,961,000	13,340,000	1,064,000	

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Cedar Realty Trust, Inc.

Schedule III

Real Estate and Accumulated Depreciation

Year ended December 31, 2013

(continued)

Property	State	Year acquired	Percent owned	Year built/ Year last renovated	Gross leasable area	Initial cost to the Company	
						Land	Building and Improvements
Norwood Shopping Center	MA	2006	100%	1965/2013	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
River View Plaza	PA	2003	100%	1991/1998	226,786	9,718,000	40,356,000
San Souci Plaza	MD	2009	40%	1985 1997	264,134	14,849,000	18,445,000
Smithfield Plaza	VA	2005/2008	100%	1987/1996	134,664	2,947,000	12,737,000
South Philadelphia	PA	2003	100%	1950/2003	283,415	8,222,000	36,314,000
Southington Center	CT	2003	100%	1972/2000	155,842		11,834,000
St. James Square	MD	2005	100%	2000	39,903	688,000	3,838,000
Suffolk Plaza	VA	2005	100%	1984	67,216	1,402,000	7,236,000
Swede Square	PA	2003	100%	1980/2012	100,816	2,268,000	6,232,000
The Brickyard	CT	2004	100%	1990/2012	237,596	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%	1972/2008	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
Valley Plaza	MD	2003	100%	1975/1994	190,939	1,950,000	7,766,000
Virginia Little Creek	VA	2005	100%	1996/2001	69,620	1,650,000	8,350,000
Washington Center Shoppes	NJ	2001	100%	1979/1995	157,394	2,061,000	7,314,000
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
Upland Square	PA	2007/2013	100%	2009	394,598	28,187,000	

Yorktowne Plaza	MD	2007	100%	1970/2000	158,982	5,940,000	25,505,000
Total Consolidated Portfolio					9,390,558	$ 292,513,000	$ 869,482,000

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Cedar Realty Trust, Inc.

Schedule III

Real Estate and Accumulated Depreciation

Year ended December 31, 2013

(continued)

Property	Subsequent cost capitalized	Gross amount at which carried at December 31, 2013 Land	Building and improvements	Total	Accumulated depreciation (3)	Amount of Encumbrance
Norwood Shopping Center	$ 1,271,000	$ 1,874,000	$ 9,724,000	$ 11,598,000	$ 2,419,000	
Oak Ridge Shopping Center	28,000	960,000	4,282,000	5,242,000	952,000	3,231,000
Oakland Commons	(233,000)	2,504,000	15,429,000	17,933,000	3,355,000	
Oakland Mills	40,000	1,611,000	6,332,000	7,943,000	1,872,000	4,559,000
Palmyra Shopping Center	1,386,000	1,488,000	7,952,000	9,440,000	2,094,000	
Pine Grove Plaza	314,000	2,010,000	6,803,000	8,813,000	1,792,000	5,329,000
Port Richmond Village	1,097,000	2,843,000	12,965,000	15,808,000	4,105,000	
River View Plaza	4,629,000	9,718,000	44,985,000	54,703,000	12,139,000	
San Souci Plaza	1,839,000	13,406,000	21,727,000	35,133,000	6,647,000	27,200,000
Smithfield Plaza	758,000	2,919,000	13,523,000	16,442,000	3,295,000	6,660,000
South Philadelphia	2,723,000	8,222,000	39,037,000	47,259,000	12,412,000	
Southington Center	175,000		12,009,000	12,009,000	3,097,000	5,339,000
St. James Square	661,000	688,000	4,499,000	5,187,000	1,519,000	
Suffolk Plaza	23,000	1,402,000	7,259,000	8,661,000	2,555,000	
Swede Square	5,679,000	2,272,000	11,907,000	14,179,000	3,915,000	10,159,000

The Brickyard	(2,740,000)	7,648,000	26,552,000	34,200,000	7,771,000	
The Commons	2,884,000	3,098,000	16,931,000	20,029,000	4,883,000	
The Point	14,556,000	2,996,000	25,060,000	28,056,000	7,226,000	29,492,000
The Shops at Suffolk Downs	9,126,000	7,580,000	20,215,000	27,795,000	3,731,000	
Timpany Plaza	947,000	3,368,000	20,231,000	23,599,000	4,014,000	
Trexler Mall	6,127,000	6,932,000	38,942,000	45,874,000	8,763,000	19,655,000
Trexlertown Plaza	23,470,000	13,351,000	47,335,000	60,686,000	6,085,000	
Valley Plaza	1,008,000	1,950,000	8,774,000	10,724,000	2,437,000	
Virginia Little Creek	12,000	1,639,000	8,373,000	10,012,000	2,713,000	324,000
Washington Center Shoppes	3,887,000	2,000,000	11,262,000	13,262,000	3,754,000	
Webster Plaza	(477,000)	4,082,000	17,404,000	21,486,000	3,431,000	
West Bridgewater Plaza	(818,000)	2,596,000	14,310,000	16,906,000	2,933,000	10,401,000
Upland Square	66,768,000	25,783,000	69,172,000	94,955,000	7,303,000	58,085,000
Yorktowne Plaza	274,000	5,804,000	25,915,000	31,719,000	5,803,000	18,909,000
Total Consolidated Portfolio	$ 277,859,000	$ 286,518,000	$ 1,153,336,000	$ 1,439,854,000	$ 251,605,000	$ 516,292,000

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Cedar Realty Trust, Inc.

Schedule III

Real Estate and Accumulated Depreciation

Year ended December 31, 2013

(continued)

The changes in real estate and accumulated depreciation for the three years ended December 31, 2013 are as follows (1):

Cost	**2013**	**2012**	**2011**
Balance, beginning of the year	$ 1,413,402,000	$ 1,316,927,000	$ 1,237,068,000
Properties acquired	34,666,000	76,185,000	46,863,000
Land parcel sold	(1,351,000)		
Improvements and betterments	12,133,000	20,389,000	33,164,000
Write-off fully-depreciated assets	(18,996,000)	(99,000)	(168,000)
Balance, end of the year (2)	$ 1,439,854,000	$ 1,413,402,000	$ 1,316,927,000
Accumulated depreciation			
Balance, beginning of the year	$ 229,535,000	$ 189,608,000	$ 151,008,000
Depreciation expense	41,066,000	40,026,000	38,768,000
Write-off fully-depreciated assets	(18,996,000)	(99,000)	(168,000)
Balance, end of the year	$ 251,605,000	$ 229,535,000	$ 189,608,000
Net book value	$ 1,188,249,000	$ 1,183,867,000	$ 1,127,319,000

(1) Restated to reflect the reclassifications of properties to real estate held for sale/conveyance during 2013.
(2) At December 31, 2013, the aggregate cost for federal income tax purposes was approximately $4.5 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, 2013, 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 2013.

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, 2013. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control Integrated Framework . Based on such assessment, management believes that, as of December 31, 2013, 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, 2013, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 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, 2013, 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, 2013 and 2012, and the related consolidated statements of operations and comprehensive income (loss), equity, and cash flows for each of the three years in the period ended December 31, 2013 of Cedar Realty Trust, Inc. and our report dated February 25, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York

February 25, 2014

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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 2014 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 2014 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 2014 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 2014 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 2014 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.
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.
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.
10.4.a	Second 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 August 1, 2013, incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarterly period ended June 30, 2013.
10.4.b	First Amendment to Second 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 11, 2014.
10.5	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 11, 2014.
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

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

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(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 25, 2014

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 25, 2014

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