CEDAR REALTY TRUST, INC.
Form 10-K
February 20, 2015
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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, 2014

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, 2014 of $6.25 per share, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $471,117,000.

The number of shares outstanding of the registrant s Common Stock $.06 par value was 84,927,523 on February 13, 2015.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant s definitive proxy statement relating to its 2015 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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CEDAR REALTY TRUST, INC.

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Part I.

Items 1 and 2. Business and Properties

General

Cedar Realty Trust, Inc. (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, 2014, the Company owned and managed a portfolio of 59 operating properties (excluding properties held for sale/conveyance) totaling approximately 9.2 million square feet of gross leasable area (GLA). The portfolio was 93.3% leased and 92.9% occupied at December 31, 2014.

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, 2014, the Company owned 99.5% of the Operating Partnership and is its sole general partner. The 393,000 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 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

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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. Information on the website is not part of this Form 10-K.

The Company s Properties

The following tables summarize information relating to the Company s portfolio as of December 31, 2014:

State	Number of properties	GLA	Percentage of GLA
Pennsylvania	26	4,891,000	52.9%
Massachusetts	8	1,308,000	14.1%
Connecticut	7	1,129,000	12.2%
Maryland	6	796,000	8.6%
Virginia	8	556,000	6.0%
New Jersey	3	373,000	4.0%
New York	1	194,000	2.1%
Total consolidated portfolio	59	9,247,000	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	12	785,000	8.5%	$ 11,703,000	$ 14.91	10.7%
LA Fitness	7	282,000	3.0%	4,653,000	16.50	4.3%
Stop & Shop	4	271,000	2.9%	2,805,000	10.35	2.6%
Farm Fresh	4	196,000	2.1%	2,235,000	11.40	2.0%
Home Depot	2	253,000	2.7%	2,050,000	8.10	1.9%
Staples	6	125,000	1.4%	1,982,000	15.86	1.8%
Dollar Tree	18	182,000	2.0%	1,945,000	10.69	1.8%
Shop Rite	2	118,000	1.3%	1,744,000	14.78	1.6%
BJ s Wholesale Club	1	118,000	1.3%	1,683,000	14.26	1.5%
Redner s	4	207,000	2.2%	1,538,000	7.43	1.4%
United Artists	1	78,000	0.8%	1,454,000	18.64	1.3%
Marshalls	6	170,000	1.8%	1,437,000	8.45	1.3%
Shaw s	2	125,000	1.4%	1,431,000	11.45	1.3%
Big Y	1	64,000	0.7%	1,404,000	21.94	1.3%
Food Lion	5	181,000	2.0%	1,314,000	7.26	1.2%
Shoppers Food Warehouse	2	120,000	1.3%	1,237,000	10.31	1.1%
Walmart	3	192,000	2.1%	1,188,000	6.19	1.1%
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%
Carmike Cinema	1	45,000	0.5%	1,034,000	22.98	0.9%
Sub-total top twenty tenants	84	3,724,000	40.3%	45,113,000	12.11	41.3%
Remaining tenants	786	4,869,000	52.7%	64,233,000	13.19	58.7%
Sub-total all tenants (b)	870	8,593,000	92.9%	$ 109,346,000	$ 12.73	100.0%
Vacant space	N/A	654,000	7.1%			
Total	870	9,247,000	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 (GLA of 79,000; annualized base rent of $764,000) and Home Goods (GLA of 51,000; annualized base rent of $609,000), and (4) Shaw s and Acme Markets (GLA of 172,000; annualized base rent of $781,000).

(b) Comprised of large tenants (15,000 or more GLA) and small tenants as follows:

	Occupied GLA	% of GLA	Annualized base rent	Annualized base rent per sq. ft.	Percentage annualized base rents
Large tenants	6,068,000	70.6%	$ 64,084,000	$ 10.56	58.6%
Small tenants	2,525,000	29.4%	45,262,000	17.93	41.4%
Total	8,593,000	100.0%	$ 109,346,000	$ 12.73	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	51	231,000	2.7%	$ 2,484,000	$ 10.75	2.3%
2015	121	746,000	8.7%	8,568,000	$ 11.49	7.8%
2016	138	880,000	10.2%	11,196,000	$ 12.72	10.2%
2017	117	843,000	9.8%	11,736,000	$ 13.92	10.7%
2018	102	809,000	9.4%	11,952,000	$ 14.77	10.9%
2019	104	892,000	10.4%	10,620,000	$ 11.91	9.7%
2020	85	1,379,000	16.0%	14,640,000	$ 10.62	13.4%
2021	39	449,000	5.2%	6,588,000	$ 14.67	6.0%
2022	24	163,000	1.9%	2,388,000	$ 14.65	2.2%
2023	19	154,000	1.8%	1,776,000	$ 11.53	1.6%
2024	24	516,000	6.0%	7,068,000	$ 13.70	6.5%
2025	14	402,000	4.7%	5,604,000	$ 13.94	5.1%
Thereafter	32	1,129,000	13.1%	14,726,000	$ 13.04	13.5%
All tenants	870	8,593,000	100.0%	$ 109,346,000	$ 12.73	100.0%
Vacant space	N/A	654,000	N/A			
Total portfolio	870	9,247,000	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%	$ 22.75	Big Y
Brickyard Plaza	100%	2004	227,193	85.4%	8.43	Home Depot
						Kohl s
						Michaels
Groton Shopping Center	100%	2007	117,186	89.0%	11.60	TJ Maxx
						Goodwill
Jordan Lane	100%	2005	177,504	96.6%	11.10	Stop & Shop
						CW Price
						Retro Fitness
New London Mall	40%	2009	259,566	91.8%	14.75	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%	7.08	Walmart
						NAMCO
Total Connecticut			**1,128,496**	**93.3%**	**11.61**	
Maryland						
Kenley Village	100%	2005	51,894	71.4%	8.82	Food Lion
Metro Square	100%	2008	71,896	100.0%	19.26	Shoppers Food Warehouse
Oakland Mills	100%	2005	58,224	100.0%	13.99	Food Lion
San Souci Plaza	40%	2009	264,134	79.3%	10.32	Shoppers Food Warehouse
						Marshalls
						Maximum Health and Fitness
Valley Plaza	100%	2003	190,939	100.0%	5.06	K-Mart
						Ollie s Bargain Outlet
						Tractor Supply
Yorktowne Plaza	100%	2007	158,982	88.4%	13.72	Food Lion
Total Maryland			**796,069**	**89.0%**	**10.71**	
Massachusetts						
Fieldstone Marketplace	100%	2005/2012	193,970	94.0%	10.53	Shaw s
						Flagship Cinema
						New Bedford Wine and Spirits

Franklin Village Plaza	100%	2004/2012	303,085	92.6%	20.35	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	95.2%	6.49	Work Out World
						CW Price
						Ocean State Job Lot
						Savers
Norwood Shopping Center	100%	2006	102,459	98.2%	8.96	Hannaford Brothers
						Planet Fitness
						Dollar Tree
The Shops at Suffolk Downs	100%	2005	121,320	100.0%	13.62	Stop & Shop
Timpany Plaza	100%	2007	183,775	100.0%	7.45	Stop & Shop
						Big Lots
						Gardner Theater
Webster Plaza	100%	2007	101,824	91.7%	10.41	Price Chopper
West Bridgewater Plaza	100%	2007	133,039	96.9%	8.46	Shaw s
						Big Lots
						Planet Fitness
Total Massachusetts			**1,307,715**	**95.7%**	**11.71**	
New Jersey						
Carll s Corner	100%	2007	129,582	84.7%	8.79	Acme Markets
						Peebles
Pine Grove Plaza	100%	2003	86,089	95.1%	11.04	Peebles
Washington Center Shoppes	100%	2001	157,394	92.6%	9.29	Acme Markets
						Planet Fitness
Total New Jersey			**373,065**	**90.4%**	**9.55**	
New York						
Carman s Plaza	100%	2007	**194,082**	**75.0%**	**19.41**	Pathmark
						Home Goods
						Department of Motor Vehicle
Pennsylvania						
Academy Plaza	100%	2001	137,415	91.4%	14.36	Acme Markets
Camp Hill	100%	2002	461,560	99.3%	14.07	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)						
Colonial Commons	100%	2011	461,914	90.0%	13.79	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	93.7%	19.84	Giant Foods
Fairview Commons	100%	2007	42,314	56.2%	10.11	Family Dollar
Fort Washington Center	100%	2002	41,000	100.0%	21.83	LA Fitness
Gold Star Plaza	100%	2006	71,720	82.2%	8.97	Redner s
Golden Triangle	100%	2003	202,943	95.4%	12.77	LA Fitness
						Marshalls
						Staples
						Just Cabinets
						Aldi
Halifax Plaza	100%	2003	51,510	100.0%	12.61	Giant Foods
Hamburg Square	100%	2004	99,580	95.2%	6.47	Redner s
						Peebles
Maxatawny Marketplace	100%	2011	58,339	100.0%	12.21	Giant Foods
Meadows Marketplace	100%	2004/2012	91,518	100.0%	15.64	Giant Foods
Mechanicsburg Giant	100%	2005	51,500	100.0%	22.57	Giant Foods
Newport Plaza	100%	2003	64,489	100.0%	11.76	Giant Foods
Northside Commons	100%	2008	69,136	100.0%	9.85	Redner s
Palmyra Shopping Center	100%	2005	111,051	94.5%	6.73	Weis Markets
						Goodwill
Port Richmond Village	100%	2001	154,908	98.2%	13.65	Thriftway
						Pep Boys
						Shop of New Sorts Thrift Store
Quartermaster Plaza	100%	2014	456,364	96.9%	13.99	Home Depot
						BJ s Wholesale Club
						Conway Stores, Inc.
						Planet Fitness
						Staples
						Petsmart

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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)						
River View Plaza	100%	2003	226,786	90.2%	19.72	United Artists
						Avalon Carpet
						Pep Boys
						Staples
South Philadelphia	100%	2003	283,415	83.1%	14.49	Shop Rite
						Ross Dress For Less
						LA Fitness
						Modell s
Swede Square	100%	2003	100,816	97.0%	17.43	LA Fitness
The Commons	100%	2004	203,426	87.5%	8.13	Bon-Ton
						Shop n Save
						TJ Maxx
The Point	100%	2000	268,037	97.1%	12.55	Burlington Coat Factory
						Giant Foods
						A.C. Moore
						Staples
Trexler Mall	100%	2005	339,279	90.2%	9.68	Kohl s
						Bon-Ton
						Lehigh Wellness Partners
						Oxyfit Gym
						Marshalls
Trexlertown Plaza	100%	2006	313,929	89.3%	12.09	Giant Foods
						Hobby Lobby
						Redner s
						Big Lots
						Tractor Supply
Upland Square	100%	2007	394,598	94.4%	17.03	Giant Foods
						Carmike Cinema
						LA Fitness
						Best Buy
						TJ Maxx
						Bed, Bath & Beyond
						A.C. Moore
						Staples
Total Pennsylvania			**4,891,264**	**93.2%**	**13.63**	

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Property description	Percent owned	Year acquired	GLA	Percent occupied	Average base rent per sq. ft. (a)	Major tenants (b)
Virginia						
Coliseum Marketplace	100%	2005	106,648	100.00%	16.26	Farm Fresh
						Michaels
Elmhurst Square	100%	2006	66,250	85.55%	9.38	Food Lion
Fredericksburg Way	100%	2005	63,000	100.00%	18.47	Ukrop s Supermarket
General Booth Plaza	100%	2005	71,639	96.65%	13.97	Farm Fresh
Glen Allen Shopping Center	100%	2005	63,328	100.00%	6.61	Giant Foods
Kempsville Crossing	100%	2005	79,512	98.35%	10.64	Walmart
						Farm Fresh
Oak Ridge Shopping Center	100%	2006	38,700	92.25%	10.69	Food Lion
Suffolk Plaza	100%	2005	67,216	100.00%	9.90	Farm Fresh
Total Virginia			**556,293**	**97.1%**	**12.40**	
Total Portfolio			**9,246,984**	**92.9%**	**$ 12.73**	

(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, 2014. 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 $12.66 per square foot if all such free rent concessions were reflected.

(b) Major tenants are determined as tenants with 15,000 or more sq.ft of GLA, tenants at single-tenant properties, or the largest tenant at a property, based on GLA.

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 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.

Excluding properties held for sale/conveyance, 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 11%, 12% and 13% of the Company s GLA at December 31, 2014, 2013 and 2012, respectively, and accounted for an aggregate of approximately 14%, 15% and 14% of the Company s total revenues during 2014, 2013 and 2012, respectively. No other tenant leased more than 10% of GLA at December 31, 2014, 2013 or 2012, or contributed more than 10% of total revenues during 2014, 2013 or 2012.

Executive Offices

The Company s executive offices are located at 44 South Bayles Avenue, Port Washington, New York, in which it presently occupies 12,252 square feet pursuant to a lease which lease expires in February 2020.

Competition

The Company believes that competition for the acquisition and operation of grocery-anchored shopping 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 and/or indemnification, 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 did not reveal any material environmental liabilities for which the Company is responsible and 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, 2014, 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 any 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 each of 2014, 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 or 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 shopping centers. Our performance therefore is linked to economic conditions in the market for retail space generally*.**

Our properties consist primarily of grocery-anchored 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, the impact of internet sales on the demand for retail space, ongoing consolidation in the retail sector, and 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. Any 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.

In addition, increases in energy costs in this country 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; and
11. an inability to refinance maturing debt in acceptable amounts and/or on acceptable terms.

The level of our indebtedness and any constraints on credit may impede our operating performance, and put us at a competitive disadvantage.

The level of our indebtedness 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.

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. No tenant leased more than 10% of GLA at December 31, 2014 or contributed more than 10% of total revenues during 2014, except for Giant Food Stores, LLC and Stop & Shop, Inc., each of which is owned by Ahold N.V., a Netherlands corporation, which leased an aggregate of approximately 11% of our GLA, excluding properties held for sale, at December 31, 2014, and accounted for an aggregate of approximately 14% of our total revenues, excluding properties held for sale, during 2014.

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

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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, and would be required to write off any straight-line rent receivable recorded for such tenant, which may in turn harm our financial condition.

New Technology developments may negatively impact our tenants and our business.

We may be adversely affected by developments in 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, among other things, the effect of e-books and small screen readers on book stores, and increased sales of many products on-line.

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, which may have the effect of decreasing the reported amount of their in-store sales and the amount of rent we are able to collect from them. With respect to grocer tenants, on-line grocery orders have become increasingly available, particularly in urban areas, but have not yet become a major factor affecting grocers in our portfolio. We cannot predict with certainty how growth in internet sales will impact the demand for space at our properties or how much revenue will be generated at bricks and mortar store locations in the future. If we are unable to anticipate and respond promptly to trends in retailer and consumer behavior, our occupancy levels and financial results could suffer.

We face risks relating to cybersecurity attacks, loss of confidential information and other business disruptions.

We rely extensively on computer systems to manage our business and process transactions. Our business is at risk from and may be impacted by cybersecurity attacks, including attempts to gain unauthorized access to our confidential data and other electronic security breaches. Such cyber-attacks can range from individual attempts to gain unauthorized access to our information technology systems to more sophisticated security threats. While we employ a number of measures to prevent, detect and mitigate these threats including password protection, backup servers and annual penetration testing, there is no guarantee such efforts will be successful in preventing a cyber-attack. Cybersecurity incidents, depending on their nature and scope, could potentially lead to the compromise of confidential information, improper use of our systems and networks, manipulation and destruction of data, system downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness and results of operations. In the event a security breach or failure results in the disclosure of sensitive tenant or other third-party data, or the transmission of harmful/malicious code to third parties, we could be subject to liability or claims.

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

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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 facilities 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 revolving 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, take possession of the property or properties securing the loan.

The geographic concentration of our properties in the Washington DC to Boston corridor exposes us to greater economic risks than if the distribution of our properties encompassed a broader region.

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 our properties were more diversely located (in particular, 26 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.

Competition and saturation in our existing markets may limit our ability for further growth in these geographic regions.

Numerous commercial developers and real estate companies compete with us seeking properties for acquisition in our existing target markets. This competition may operate to reduce the properties available for acquisition in these markets, increase the cost of the properties we acquire, reduce the rate of return on these properties, and interfere with our ability to attract and retain tenants.

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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.

Our redevelopment activities may not yield anticipated returns, which would harm our operating results and reduce funds available for distributions to shareholders.

Redevelopment projects entail considerable risks, including:

- Time lag between commencement and completion, leaving us exposed to higher-than-estimated construction costs, including labor and material costs;
- Failure or inability to obtain construction or permanent financing on favorable terms;
- Expenditure of money and time on projects that may never be completed;
- Inability to secure key anchor or other tenants;
- Inability to achieve projected rental rates or anticipated pace of lease-up; and
- Delays in completion relating to weather, labor disruptions, construction or zoning delays.

The failure of our redevelopment projects to yield their anticipated return could have a material adverse effect on our business and operating results.

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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 related to 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.

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

All real property and the operations conducted on real property are subject to federal, state and local laws, ordinances and regulations relating to hazardous materials, environmental protection and human health and safety. Accordingly, we or our tenants may be required to investigate and clean up certain hazardous or toxic substances released on properties we own or operate, and also may be required to pay other related costs. Our leases typically impose obligations on our tenants to indemnify us for any compliance costs we may incur as a result of environmental conditions on the property caused by the tenant. If a tenant fails to or is unable to comply, we could be forced to pay these costs. If not addressed, environmental conditions could impair our ability to sell or re-lease the affected properties in the future, result in lower sales prices or rent payments, and restrict our ability to borrow funds using the affected properties as collateral.

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, remediation and cleanup costs in connection with such

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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. We may be liable without regard to whether we knew of, or were responsible for, the environmental contamination and with respect to properties we have acquired, whether the contamination occurred before or after the acquisition.

We believe environmental studies conducted at the time of acquisition with respect to all of our properties did not reveal any material environmental liabilities for which the Company is responsible, and we are unaware of any subsequent environmental matters that would have created a material liability. If one or more of our properties were not in compliance with federal, state and local laws, including environmental 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 additionally incur governmental fines or private damage awards. There can be no assurance that existing requirements will not change or that future requirements will not require us to make significant unanticipated expenditures that will adversely impact our business and operations.

The Americans with Disabilities Act of 1990 (the ADA) could require us to take remedial steps with respect to our properties.

We may incur significant costs to comply with the ADA, 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.

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 would likely 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) if necessary, 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.

Dividends payable by REITs do not qualify for reduced tax rates under the Code. Currently, the maximum federal individual tax rate for nonqualified dividends payable is 39.6%; qualified dividends from most C corporations received by individuals are subject to a reduced federal rate of 20%. In addition to these rates, certain high income individuals may be subject to an additional 3.8% tax on certain investment income, including dividends and capital gains. The more favorable federal tax rates applicable to regular corporate dividends may result in the stock of REITs being perceived to be less attractive than the stock of corporations that pay dividends qualifying for reduced rates of tax, which may adversely affect the value of the stock of REITs.

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 companies affiliated with 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.

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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.

Item 4. Mine Safety Disclosures: Not applicable

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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	46	Chief Executive Officer and President, Director
Roger M. Widmann	75	Chairman of the Board of Directors
James J. Burns	75	Director
Pamela N. Hootkin	67	Director
Paul G. Kirk Jr.	77	Director
Everett B. Miller III	69	Director
Philip R. Mays	47	Chief Financial Officer
Nancy H. Mozzachio	50	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.

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

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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 development 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. 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), Hartford Financial Services Group, Inc. (1995 to 2014 excluding his term in the United States Senate), 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 and a founding Director of the Edward M. Kennedy Institute for the United States Senate serving from 2007 to 2009. From 1985 to 1989, Mr. Kirk served as Chairman of the Democratic Party of the United States, 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 for 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. from Jacksonville University, Florida.

Nancy H. Mozzachio was elected Chief Operating Officer effective January 1, 2015. Ms. Mozzachio has been involved in the shopping center industry for more than 25 years. She joined the Company in August 2003 as Director of Leasing and has been Vice President of Leasing of the Company since September 2004. Prior to joining the Company, she served as Vice President of Leasing and Development for American Continental Properties Group from 1988 to 2003 where she assisted in bringing the first Walmart store to the State of New Jersey. From 1986 to 1988, Ms. Mozzachio was a leasing and development manager for Kode Development Group of Philadelphia. She is a member of the Commercial Real Estate Women (CREW), Urban Land Institute and Retail Network, and International Council of Shopping Centers, and has served as a mentor with the Zell-Lurie Real Estate program at The University of Pennsylvania-Wharton School. Ms. Mozzachio received a B.A. from Rutgers University.

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

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Company paid dividends totaling $0.20 per share during 2014, 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.

Market Information

The Company had 79,212,941 shares of common stock outstanding held by approximately 700 shareholders of record at December 31, 2014. The Company believes it has more than 4,100 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:

Quarter ended	Market price range			Dividends
2014	**High**	**Low**	**Close**	**paid**
March 31	$ 6.79	$ 5.70	$ 6.11	$ 0.05
June 30	$ 6.35	$ 5.86	$ 6.25	$ 0.05
September 30	$ 6.57	$ 5.85	$ 5.90	$ 0.05
December 31	$ 7.51	$ 5.86	$ 7.34	$ 0.05
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

Stockholder Return Performance Presentation

The following line graph sets forth for the period January 1, 2010 through December 31, 2014, 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.

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			Period Ending			
Index	**01/01/10**	**12/31/10**	**12/31/11**	**12/31/12**	**12/31/13**	**12/31/14**
Cedar Realty Trust, Inc.	100.00	96.40	71.55	91.16	111.95	135.49
Russell 2000	100.00	126.86	121.56	141.43	196.34	205.95
NAREIT All Equity REIT Index	100.00	127.95	138.55	165.84	170.58	218.38

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Item 6. Selected Financial Data (a)

	Years ended December 31,				
	2014	**2013**	**2012**	**2011**	**2010**
Operations data:					
Total revenues	$ 148,184,000	$ 139,598,000	$ 135,726,000	$ 129,988,000	$ 127,203,000
Expenses:					
Property operating expenses	44,786,000	42,319,000	39,387,000	42,943,000	40,597,000
General and administrative	14,356,000	13,980,000	14,277,000	10,740,000	9,537,000
Management transition charges and employee termination costs		106,000	1,172,000	6,875,000	
Acquisition transaction costs and terminated projects	2,870,000	182,000	116,000	1,436,000	3,958,000
Depreciation and amortization	38,700,000	44,405,000	43,289,000	41,862,000	34,102,000
Total expenses	100,712,000	100,992,000	98,241,000	103,856,000	88,194,000
Other:					
Gain on sales	(6,413,000)	(609,000)	(997,000)	(130,000)	
Impairment charges/(reversals), net	3,148,000	(172,000)	5,499,000	7,148,000	2,493,000
Total other	(3,265,000)	(781,000)	4,502,000	7,018,000	2,493,000
Operating income	50,737,000	39,387,000	32,983,000	19,114,000	36,516,000
Non-operating income and expense:					
Interest expense	(32,301,000)	(34,762,000)	(38,289,000)	(40,963,000)	(45,799,000)
Early extinguishment of debt costs	(825,000)	(106,000)	(2,607,000)		
Equity in income of unconsolidated joint ventures			1,481,000	1,671,000	484,000
Gain (loss) on exit from unconsolidated joint ventures			30,526,000	(7,961,000)	
Total non-operating income and expense	(33,126,000)	(34,868,000)	(8,889,000)	(47,253,000)	(45,315,000)
Income (loss) from continuing operations	17,611,000	4,519,000	24,094,000	(28,139,000)	(8,799,000)