CBL & ASSOCIATES PROPERTIES INC
Form 10-K
March 01, 2019
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, 2018

Or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM ____________ TO _______________

COMMISSION FILE NO. 1-12494 (CBL & ASSOCIATES PROPERTIES, INC.)
COMMISSION FILE NO. 333-182515-01 (CBL & ASSOCIATES LIMITED PARTNERSHIP)
______________

CBL & ASSOCIATES PROPERTIES, INC.
CBL & ASSOCIATES LIMITED PARTNERSHIP
(Exact Name of Registrant as Specified in Its Charter)

| | |
|---|---|
| Delaware (CBL & Associates Properties, Inc.) | 62-1545718 |
| Delaware (CBL & Associates Limited Partnership) | 62-1542285 |
| (State or Other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |
| 2030 Hamilton Place Blvd., Suite 500<br>Chattanooga, TN<br>(Address of Principal Executive Offices) | 37421<br>(Zip Code) |

Registrant’s telephone number, including area code: 423.855.0001
Securities registered pursuant to Section 12(b) of the Act:
CBL & Associates Properties, Inc.:

| Title of each Class | Name of each exchange on which registered |
|---|---|
| Common Stock, $0.01 par value | New York Stock Exchange |
| 7.375% Series D Cumulative Redeemable Preferred Stock, $0.01 par value | New York Stock Exchange |
| 6.625% Series E Cumulative Redeemable Preferred Stock, $0.01 par value | New York Stock Exchange |

CBL & Associates Limited Partnership: None

Securities registered pursuant to Section 12(g) of the Act:
CBL & Associates Properties, Inc.: None
CBL & Associates Limited Partnership: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
CBL & Associates Properties, Inc. Yes o No x
CBL & Associates Limited Partnership Yes o 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.

| | | |
|---|---|---|
| CBL & Associates Properties, Inc. | Yes o | No x |
| CBL & Associates Limited Partnership | Yes o | 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.
CBL & Associates Properties, Inc. Yes x No o
CBL & Associates Limited Partnership Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
CBL & Associates Properties, Inc. Yes x No o
CBL & Associates Limited Partnership Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) 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. o

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

CBL & Associates Properties, Inc.
Large accelerated filer x Accelerated filer o
Non-accelerated filer o Smaller Reporting Company o
Emerging growth company o

CBL & Associates Limited Partnership
Large accelerated filer o Accelerated filer o
Non-accelerated filer x Smaller Reporting Company o
Emerging growth company o

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
CBL & Associates Properties, Inc. Yes o No x
CBL & Associates Limited Partnership Yes o No x

The aggregate market value of the 168,512,246 shares of CBL & Associates Properties, Inc.'s common stock held by non-affiliates of the registrant as of June 30, 2018 was $938,613,210, based on the closing price of $5.57 per share on the New York Stock Exchange on June 29, 2018. (For this computation, the registrant has excluded the market value of all shares of its common stock reported as beneficially owned by executive officers and directors of the registrant; such exclusion shall not be deemed to constitute an admission that any such person is an "affiliate" of the registrant.)

As of February 25, 2019, 173,463,248 shares of common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of CBL & Associates Properties, Inc.'s Proxy Statement for the 2019 Annual Meeting of Stockholders are incorporated by reference in Part III.

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EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2018 of CBL & Associates Properties, Inc. and CBL & Associates Limited Partnership. Unless stated otherwise or the context otherwise requires, references to the "Company" mean CBL & Associates Properties, Inc. and its subsidiaries. References to the "Operating Partnership" mean CBL & Associates Limited Partnership and its subsidiaries. The terms "we," "us" and "our" refer to the Company or the Company and the Operating Partnership collectively, as the context requires.

The Company is a real estate investment trust ("REIT") whose stock is traded on the New York Stock Exchange. The Company is the 100% owner of two qualified REIT subsidiaries, CBL Holdings I, Inc. and CBL Holdings II, Inc. At December 31, 2018, CBL Holdings I, Inc., the sole general partner of the Operating Partnership, owned a 1.0% general partner interest in the Operating Partnership and CBL Holdings II, Inc. owned an 85.6% limited partner interest for a combined interest held by the Company of 86.6%.

As the sole general partner of the Operating Partnership, the Company's subsidiary, CBL Holdings I, Inc., has exclusive control of the Operating Partnership's activities. Management operates the Company and the Operating Partnership as one business. The management of the Company consists of the same individuals that manage the Operating Partnership. The Company's only material asset is its indirect ownership of partnership interests of the Operating Partnership. As a result, the Company conducts substantially all its business through the Operating Partnership as described in the preceding paragraph. The Company also issues public equity from time to time and guarantees certain debt of the Operating Partnership. The Operating Partnership holds all of the assets and indebtedness of the Company and, through affiliates, retains the ownership interests in the Company's joint ventures. Except for the net proceeds of offerings of equity by the Company, which are contributed to the Operating Partnership in exchange for partnership units on a one-for-one basis, the Operating Partnership generates all remaining capital required by the Company's business through its operations and its incurrence of indebtedness.

We believe that combining the two annual reports on Form 10-K for the Company and the Operating Partnership provides the following benefits:

- enhances investors' understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner that management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation, since a substantial portion of the disclosure applies to both the Company and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

To help investors understand the differences between the Company and the Operating Partnership, this report provides separate consolidated financial statements for the Company and the Operating Partnership. Noncontrolling interests, shareholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. A single set of notes to consolidated financial statements is presented that includes separate discussions for the Company and the Operating Partnership, when applicable. A combined Management's Discussion and Analysis of Financial Condition and Results of Operations section is also included that presents combined information and discrete information related to each entity, as applicable.

In order to highlight the differences between the Company and the Operating Partnership, this report includes the following sections that provide separate financial and other information for the Company and the Operating Partnership:

- consolidated financial statements;
- certain accompanying notes to consolidated financial statements, including Note 2- Summary of Significant Accounting Policies, Note 7 - Mortgage and Other Indebtedness, Net, Note 8 - Shareholders' Equity and Partners' Capital and Note 9 - Redeemable Interests and Noncontrolling Interests;
- information concerning unregistered sales of equity securities and use of proceeds in Item 5 of Part II of this report;
- selected financial data in Item 6 of Part II of this report;
- controls and procedures in Item 9A of Part II of this report; and
- certifications of the Chief Executive Officer and Chief Financial Officer included as Exhibits 31.1 through 32.4.

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Cautionary Statement Regarding Forward-Looking Statements

Certain statements included or incorporated by reference in this Annual Report on Form 10-K may be deemed “forward looking statements” within the meaning of the federal securities laws. All statements other than statements of historical fact should be considered to be forward-looking statements. In many cases, these forward looking statements may be identified by the use of words such as “will,” “may,” “should,” “could,” “believes,” “expects,” “anticipates,” “estimates,” “inte “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. forward-looking statement speaks only as of the date on which it is made and is qualified in its entirety by reference to the factors discussed throughout this report.

Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of future performance or results and we can give no assurance that these expectations will be attained. It is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of known and unknown risks and uncertainties. In addition to the risk factors discussed in Part I, Item 1A of this report, such known risks and uncertainties include, without limitation:

- general industry, economic and business conditions;
- interest rate fluctuations;
- costs and availability of capital and capital requirements;
- costs and availability of real estate;
- inability to consummate acquisition opportunities and other risks associated with acquisitions;
- competition from other companies and retail formats;
- changes in retail demand and rental rates in our markets;
- shifts in customer demands including the impact of online shopping;
- tenant bankruptcies or store closings;
- changes in vacancy rates at our Properties;
- changes in operating expenses;
- changes in applicable laws, rules and regulations;
- sales of real property;
- cyber-attacks or acts of cyber-terrorism;
- changes in the credit ratings of the Operating Partnership's senior unsecured long-term indebtedness;
- the ability to obtain suitable equity and/or debt financing and the continued availability of financing, in the amounts and on the terms necessary to support our future refinancing requirements and business; and
- other risks referenced from time to time in filings with the Securities and Exchange Commission (“SEC”) and those factors listed or incorporated by reference into this report.

This list of risks and uncertainties is only a summary and is not intended to be exhaustive. We disclaim any obligation to update or revise any forward-looking statements to reflect actual results or changes in the factors affecting the forward-looking information.

# PART I

## ITEM 1. BUSINESS

### Background

CBL & Associates Properties, Inc. ("CBL") was organized on July 13, 1993, as a Delaware corporation, to acquire substantially all of the real estate properties owned by CBL & Associates, Inc., which was formed by Charles B. Lebovitz in 1978, and by certain of its related parties.  On November 3, 1993, CBL completed an initial public offering (the "Offering"). Simultaneously with the completion of the Offering, CBL & Associates, Inc., its shareholders and affiliates and certain senior officers of the Company (collectively, "CBL's Predecessor") transferred substantially all of their interests in its real estate properties to CBL & Associates Limited Partnership (the "Operating Partnership") in exchange for common units of limited partner interest in the Operating Partnership. The interests in the Operating Partnership contain certain conversion rights that are more fully described in Note 8 to the consolidated financial statements. The terms "we," "us" and "our" refer to the Company or the Company and the Operating Partnership collectively, as the context requires.

### The Company's Business

We are a self-managed, self-administered, fully integrated REIT. We own, develop, acquire, lease, manage, and operate regional shopping malls, open-air and mixed-use centers, outlet centers, associated centers, community centers, office and other properties. Our Properties are located in 26 states, but are primarily in the southeastern and midwestern United States. We have elected to be taxed as a REIT for federal income tax purposes.

We conduct substantially all of our business through CBL & Associates Limited Partnership (the "Operating Partnership"), which is a variable interest entity ("VIE"). We are the 100% owner of two qualified REIT subsidiaries, CBL Holdings I, Inc. and CBL Holdings II, Inc. CBL Holdings I, Inc. is the sole general partner of the Operating Partnership. At December 31, 2018, CBL Holdings I, Inc. owned a 1.0% general partner interest and CBL Holdings II, Inc. owned an 85.6% limited partner interest in the Operating Partnership, for a combined interest held by us of 86.6%.

See Note 1 to the consolidated financial statements for information on our Properties as of December 31, 2018. As of December 31, 2018, we owned mortgages on seven Properties, each of which is collateralized by either a first mortgage, a second mortgage or by assignment of 100% of the ownership interests in the underlying real estate and related improvements (the "Mortgages"). The Malls, All Other Properties ("Associated Centers, Community Centers, Office Buildings and Self-storage Facilities"), Properties under development ("Construction Properties") and Mortgages are collectively referred to as the "Properties" and individually as a "Property."

We conduct our property management and development activities through CBL & Associates Management, Inc. (the "Management Company") to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").  The Operating Partnership owns 100% of the Management Company's outstanding preferred stock and common stock.

The Management Company manages all but 11 of the Properties. Governor's Square and Governor's Square Plaza in Clarksville, TN, Kentucky Oaks Mall in Paducah, KY, Fremaux Town Center in Slidell, LA, Ambassador Town Center in Lafayette, LA and EastGate Mall - CubeSmart Self-storage in Cincinnati, OH are all owned by unconsolidated joint ventures and are managed by a property manager that is affiliated with the third party partner, which receives a fee for its services. The third party partner of each of these Properties controls the cash flow distributions, although our approval is required for certain major decisions.  The Outlet Shoppes at Gettysburg in Gettysburg, PA, The Outlet Shoppes at El Paso in El Paso, TX, The Outlet Shoppes at Atlanta in Woodstock, GA, The Outlet Shoppes of the Bluegrass in Simpsonville, KY, and The Outlet Shoppes at Laredo in Laredo, TX are owned by consolidated joint ventures and managed by a property manager that is affiliated with the third party partner, which receives a fee for its services.

Revenues are primarily derived from leases with retail tenants and generally include fixed minimum rents, percentage rents based on tenants' sales volumes and reimbursements from tenants for expenditures related to real estate taxes, insurance, common area maintenance ("CAM") and other recoverable operating expenses, as well as certain capital expenditures. We also generate revenues from management, leasing and development fees, sponsorships, sales of peripheral land at the Properties and from sales of operating real estate assets when it is determined that we can realize

an appropriate value for the assets. Proceeds from such sales are generally used to retire related indebtedness or reduce outstanding balances on our credit facilities.



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The following terms used in this Annual Report on Form 10-K will have the meanings described below:
GLA – refers to gross leasable area of space in square feet, including Anchors and Mall tenants.
Anchor – refers to a department store, other large retail store, non-retail space or theater greater than or equal to 50,000 square feet.
Junior Anchor - non-traditional department store, retail store, non-retail space or theater comprising more than 20,000 square feet and less than 50,000 square feet.
Freestanding – Property locations that are not attached to the primary complex of buildings that comprise the mall shopping center.
Outparcel – land used for freestanding developments, such as retail stores, banks and restaurants, which are generally on the periphery of the Properties.
2023 Notes - $450 million of senior unsecured notes issued by the Operating Partnership in November 2013 that bear interest at 5.25% and mature on December 1, 2023.
2024 Notes - $300 million of senior unsecured notes issued by the Operating Partnership in October 2014 that bear interest at 4.60% and mature on October 15, 2024.
2026 Notes - $625 million of senior unsecured notes issued by the Operating Partnership in December 2016 and September 2017 that bear interest at 5.95% and mature on December 15, 2026 (and, collectively with the 2023 Notes and 2024 Notes, the "Notes"). See Note 7 to the consolidated financial statements for additional information on the Notes.

Significant Markets and Tenants

Top Five Markets

Our top five markets, based on percentage of total revenues, were as follows for the year ended December 31, 2018:

| Market | Percentage of Total Revenues |
|---|---|
| St. Louis, MO | 6.3% |
| Chattanooga, TN | 5.0% |
| Laredo, TX | 3.8% |
| Lexington, KY | 3.8% |
| Madison, WI | 3.4% |

Top 25 Tenants

Our top 25 tenants based on percentage of total revenues were as follows for the year ended December 31, 2018:

| | Tenant | Number of Stores | Square Feet | Percentage of Total Revenues [1] | |
|---|---|---|---|---|---|
| 1 | L Brands, Inc. [2] | 137 | 812,407 | 4.20 | % |
| 2 | Signet Jewelers Limited [3] | 172 | 254,859 | 2.85 | % |
| 3 | Foot Locker, Inc. | 114 | 530,463 | 2.65 | % |
| 4 | Ascena Retail Group, Inc. [4] | 164 | 840,079 | 2.09 | % |
| 5 | AE Outfitters Retail Company | 64 | 402,917 | 1.98 | % |
| 6 | Genesco Inc. [5] | 165 | 271,118 | 1.82 | % |
| 7 | Dick's Sporting Goods, Inc. | 26 | 1,467,844 | 1.74 | % |
| 8 | The Gap, Inc. | 55 | 655,708 | 1.42 | % |
| 9 | Hennes & Mauritz AB | 43 | 916,688 | 1.36 | % |

| | Tenant | Number of Stores | Square Feet | Percentage of Total Revenues (1) |
|---|---|---|---|---|
| 10 | Luxottica Group, S.P.A. (6) | 110 | 245,338 | 1.33 % |
| 11 | Express, Inc. | 40 | 331,347 | 1.23 % |
| 12 | Finish Line, Inc. | 47 | 245,046 | 1.17 % |
| 13 | Forever 21 Retail, Inc. | 20 | 410,070 | 1.16 % |
| 14 | The Buckle, Inc. | 45 | 233,639 | 1.11 % |
| 15 | JC Penney Company, Inc. (7) | 49 | 5,881,853 | 1.02 % |
| 16 | Charlotte Russe Holding, Inc. | 44 | 280,834 | 0.97 % |
| 17 | Abercrombie & Fitch, Co. | 45 | 299,937 | 0.93 % |
| 18 | Shoe Show, Inc. | 42 | 532,919 | 0.92 % |
| 19 | Cinemark | 9 | 467,190 | 0.84 % |
| 20 | Barnes & Noble Inc. | 19 | 579,660 | 0.84 % |
| 21 | Hot Topic, Inc. | 97 | 222,301 | 0.80 % |
| 22 | The Children's Place Retail Stores, Inc. | 47 | 205,959 | 0.77 % |
| 23 | Claire's Stores, Inc. | 84 | 106,510 | 0.72 % |
| 24 | Ulta Beauty Inc. | 28 | 288,394 | 0.67 % |
| 25 | GNC Holdings, Inc. | 65 | 91,519 | 0.62 % |
| | | 1,731 | 16,574,599 | 35.21 % |

(1) Includes our proportionate share of revenues from unconsolidated affiliates based on our ownership percentage in the respective joint venture and any other applicable terms.
(2) L Brands, Inc. operates Bath & Body Works, PINK, Victoria's Secret and White Barn Candle.
(3) Signet Jewelers Limited operates Belden Jewelers, Gordon's Jewelers, Jared Jewelers, JB Robinson, Kay Jewelers, LeRoy's Jewelers, Marks & Morgan, Osterman's Jewelers, Piercing Pagoda, Rogers Jewelers, Shaw's Jewelers, Silver & Gold Connection, Ultra Diamonds and Zales.
(4) Ascena Retail Group, Inc. operates Ann Taylor, Catherines, Dressbarn, Justice, Lane Bryant, LOFT and Maurices.
(5) Genesco Inc. operates Clubhouse, Hat Shack, Hat Zone, Johnston & Murphy, Journey's, Journey's Kidz, Lids, Lids Locker Room, Shi by Journey's and Underground by Journeys.
(6) Luxottica Group, S.P.A. operates Lenscrafters, Pearle Vision and Sunglass Hut.
(7) JC Penney Co., Inc. owns 29 of these stores.

Growth Strategy

Our objective is to achieve growth in same-center net operating income ("NOI") as well as funds from operations ("FFO") (see page 76 for a discussion of funds from operations) and reduce our overall cost of debt and equity by maximizing total earnings before income taxes, depreciation and amortization for real estate ("EBITDAre") and cash flows through a variety of methods as further discussed below.

FFO and same-center NOI are non-GAAP measures. For a description of same-center NOI, a reconciliation from net income (loss) to same-center NOI, and an explanation of why we believe this is a useful performance measure, see Non-GAAP Measure - Same-center Net Operating Income in "Results of Operations." For a description of FFO, a

reconciliation from net income (loss) attributable to common shareholders to FFO allocable to Operating Partnership common unitholders, and an explanation of why we believe this is a useful performance measure, see Non-GAAP Measure - Funds from Operations within the "Liquidity and Capital Resources" section.

Leasing, Management and Marketing

Our objective is to maximize cash flows from our existing Properties through:

- aggressive leasing that seeks to increase occupancy and facilitate an optimal merchandise mix,
- originating and renewing leases at higher gross rents per square foot compared to the previous lease,
- merchandising, marketing, sponsorship and promotional activities and
- actively controlling operating costs.

Redevelopments

Redevelopments represent situations where we capitalize on opportunities to increase the productivity of previously occupied space through aesthetic upgrades, retenanting and/or changing the use of the space. Many times, redevelopments result from acquiring or regaining possession of Anchor space (such as former Sears and Bon-Ton stores) and subdividing it into multiple spaces.

Renovations

Renovations usually include remodeling and upgrading existing facades, uniform signage, new entrances and floor coverings, updating interior décor, resurfacing parking areas and improving the lighting of interiors and parking areas. Renovations can result in attracting new retailers, increased rental rates, sales and occupancy levels and maintaining the Property's market dominance.

Development of New Retail Properties and Expansions

In general, we seek development opportunities in middle-market trade areas that we believe are under-served by existing retail operations. These middle-markets must also have strong demographics to provide the opportunity to effectively maintain a competitive position.

We can also generate revenues by expanding a Property through the addition of large retail formats including restaurants and entertainment venues. An expansion also protects the Property's competitive position within its market.

Shadow Development Pipeline

We are continually pursuing redevelopment opportunities and have projects in various stages of pre-development. Our shadow pipeline consists of projects for Properties on which we have completed initial analysis and design but which have not commenced construction as of December 31, 2018.

See "Liquidity and Capital Resources" section for information on the above projects completed during 2018 and under construction at December 31, 2018.

Acquisitions

We believe there is opportunity for growth through acquisitions of retail centers and anchor stores that complement our portfolio. We selectively acquire properties we believe can appreciate in value by increasing NOI through our development, leasing and management expertise. However, our primary focus at this time is on opportunities to acquire anchors at our Properties for future redevelopment uses.

Environmental Matters

A discussion of the current effects and potential impacts on our business and Properties of compliance with federal, state and local environmental regulations is presented in Item 1A of this Annual Report on Form 10-K under the subheading “Risks Related to Real Estate Investments.”

Competition

The Properties compete with various shopping facilities in attracting retailers to lease space. In addition, retailers at our Properties face competition from discount shopping centers, outlet centers, wholesale clubs, direct mail, television shopping networks, the internet and other retail shopping developments. The extent of the retail competition varies from market to market. We work aggressively to attract customers through marketing promotions and social media campaigns. Many of our retailers have adopted an omni-channel approach which leverages sales through both digital and traditional retailing channels.

Seasonality

The shopping center business is, to some extent, seasonal in nature with tenants typically achieving the highest levels of sales during the fourth quarter due to the holiday season, which generally results in higher percentage rent income in the fourth quarter. Additionally, the Malls earn most of their "temporary" rents (rents from short-term tenants) during the holiday period. Thus, occupancy levels and revenue production are generally the highest in the fourth quarter of each year. Results of operations realized in any one quarter may not be indicative of the results likely to be experienced over the course of our fiscal year.

Equity

Common Stock and Common Units

Our authorized common stock consists of 350,000,000 shares at $0.01 par value per share. We had 172,656,458 and 171,088,778 shares of common stock issued and outstanding as of December 31, 2018 and 2017, respectively. The Operating Partnership had 199,414,863 and 199,297,151 common units outstanding as of December 31, 2018 and 2017, respectively.

Preferred Stock

Our authorized preferred stock consists of 15,000,000 shares at $0.01 par value per share. See Note 8 to the consolidated financial statements for a description of our outstanding cumulative redeemable preferred stock.

Financial Information about Segments

See Note 12 to the consolidated financial statements for information about our reportable segments.

Employees

CBL does not have any employees other than its statutory officers. Our Management Company had 509 full-time and 141 part-time employees as of December 31, 2018. None of our employees are represented by a union.

Corporate Offices

Our principal executive offices are located at CBL Center, 2030 Hamilton Place Boulevard, Suite 500, Chattanooga, Tennessee, 37421 and our telephone number is (423) 855-0001.

Available Information

There is additional information about us on our web site at cblproperties.com. Electronic copies of our Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to those reports, are available free of charge by visiting the "invest" section of our web site. These reports are posted as soon as reasonably practical after they are electronically filed with, or furnished to, the SEC. The information on our web site is not, and should not be considered, a part of this Form 10-K.

ITEM 1A. RISK FACTORS

Set forth below are certain factors that may adversely affect our business, financial condition, results of operations and cash flows. Any one or more of the following factors may cause our actual results for various financial reporting periods to differ materially from those expressed in any forward-looking statements made by us, or on our behalf. See "Cautionary Statement Regarding Forward-Looking Statements" contained herein on page 1.

RISKS RELATED TO REAL ESTATE INVESTMENTS

Real property investments are subject to various risks, many of which are beyond our control, which could cause declines in the operating revenues and/or the underlying value of one or more of our Properties.

A number of factors may decrease the income generated by a retail shopping center property, including:

- national, regional and local economic climates, which may be negatively impacted by loss of jobs, production slowdowns, adverse weather conditions, natural disasters, acts of violence, war or terrorism, declines in residential real estate activity and other factors which tend to reduce consumer spending on retail goods;

- adverse changes in levels of consumer spending, consumer confidence and seasonal spending (especially during the holiday season when many retailers generate a disproportionate amount of their annual profits);
- local real estate conditions, such as an oversupply of, or reduction in demand for, retail space or retail goods, and the availability and creditworthiness of current and prospective tenants;
- increased operating costs, such as increases in repairs and maintenance, real property taxes, utility rates and insurance premiums;
- delays or cost increases associated with the opening of new properties or redevelopment and expansion of properties, due to higher than estimated construction costs, cost overruns, delays in receiving zoning, occupancy or other governmental approvals, lack of availability of materials and labor, weather conditions, and similar factors which may be outside our ability to control;
- perceptions by retailers or shoppers of the safety, convenience and attractiveness of the shopping center; and
- the convenience and quality of competing retail properties and other retailing options, such as the internet and the adverse impact of online sales.

In addition, other factors may adversely affect the value of our Properties without affecting their current revenues, including:

- adverse changes in governmental regulations, such as local zoning and land use laws, environmental regulations or local tax structures that could inhibit our ability to proceed with development, expansion or renovation activities that otherwise would be beneficial to our Properties;
- potential environmental or other legal liabilities that reduce the amount of funds available to us for investment in our Properties;
- any inability to obtain sufficient financing (including construction financing, permanent debt, unsecured notes issuances, lines of credit and term loans), or the inability to obtain such financing on commercially favorable terms, to fund repayment of maturing loans, new developments, acquisitions, and property redevelopments, expansions and renovations which otherwise would benefit our Properties; and
- an environment of rising interest rates, which could negatively impact both the value of commercial real estate such as retail shopping centers and the overall retail climate.

Illiquidity of real estate investments could significantly affect our ability to respond to adverse changes in the performance of our Properties and harm our financial condition.

Substantially all of our total consolidated assets consist of investments in real properties. Because real estate investments are relatively illiquid, our ability to quickly sell one or more Properties in our portfolio in response to changing economic, financial and investment conditions is limited. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand for space, that are beyond our control. We cannot predict whether we will be able to sell any Property for the price or on the terms we set, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a Property. In addition, current economic and capital market conditions might make it more difficult for us to sell Properties or might adversely affect the price we receive for Properties that we do sell, as prospective buyers might experience increased costs of debt financing or other difficulties in obtaining debt financing.

Moreover, there are some limitations under federal income tax laws applicable to REITs that limit our ability to sell assets. In addition, because many of our Properties are mortgaged to secure our debts, we may not be able to obtain a release of a lien on a mortgaged Property without the payment of the associated debt and/or a substantial prepayment penalty, or transfer of debt to a buyer, which restricts our ability to dispose of a Property, even though the sale might otherwise be desirable. Furthermore, the number of prospective buyers interested in purchasing shopping centers is limited. Therefore, if we want to sell one or more of our Properties, we may not be able to dispose of it in the desired time period and may receive less consideration than we originally invested in the Property.

Before a Property can be sold, we may be required to make expenditures to correct defects or to make improvements. We cannot assure you that we will have funds available to correct those defects or to make those improvements, and if we cannot do so, we might not be able to sell the Property, or might be required to sell the Property on unfavorable terms. In acquiring a property, we might agree to provisions that materially restrict us from

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selling that property for a period of time or impose other restrictions, such as limitations on the amount of debt that can be placed or repaid on that property. These factors and any others that would impede our ability to respond to adverse changes in the performance of our Properties could adversely affect our financial condition and results of operations.

We may elect not to proceed with certain developments, redevelopments or expansion projects once they have been undertaken, resulting in charges that could have a material adverse effect on our results of operations for the period in which the charge is taken.

We intend to pursue developments, redevelopments and expansion activities as opportunities arise. In connection with any developments, redevelopments or expansion, we will incur various risks, including the risk that developments, redevelopments or expansion opportunities explored by us may be abandoned for various reasons including, but not limited to, credit disruptions that require the Company to conserve its cash until the capital markets stabilize or alternative credit or funding arrangements can be made. Developments, redevelopments or expansions also include the risk that construction costs of a project may exceed original estimates, possibly making the project unprofitable. Other risks include the risk that we may not be able to refinance construction loans which are generally with full recourse to us, the risk that occupancy rates and rents at a completed project will not meet projections and will be insufficient to make the project profitable, and the risk that we will not be able to obtain Anchor, mortgage lender and property partner approvals for certain expansion activities.

When we elect not to proceed with a development opportunity, the development costs ordinarily are charged against income for the then-current period. Any such charge could have a material adverse effect on our results of operations for the period in which the charge is taken.

Certain of our Properties are subject to ownership interests held by third parties, whose interests may conflict with ours and thereby constrain us from taking actions concerning these Properties which otherwise would be in the best interests of the Company and our stockholders.

We own partial interests in 14 malls, 7 associated centers, 7 community centers, 2 office buildings and a self-storage facility. Governor's Square and Governor's Plaza in Clarksville, TN; Kentucky Oaks Mall in Paducah, KY; Fremaux Town Center in Slidell, LA, Ambassador Town Center in Lafayette, LA and EastGate Mall CubeSmart Self-storage in Cincinnati, OH are all owned by unconsolidated joint ventures and are managed by a property manager that is affiliated with the third party partner, which receives a fee for its services. The third party partner of each of these Properties controls the cash flow distributions, although our approval is required for certain major decisions. The Outlet Shoppes at Gettysburg in Gettysburg, PA; The Outlet Shoppes at El Paso in El Paso, TX; The Outlet Shoppes at Atlanta in Woodstock, GA; The Outlet Shoppes of the Bluegrass in Simpsonville, KY and The Outlet Shoppes at Laredo in Laredo, TX are owned by consolidated joint ventures and managed by a property manager that is affiliated with the third party partner, which receives a fee for its services.

Where we serve as managing general partner (or equivalent) of the entities that own our Properties, we may have certain fiduciary responsibilities to the other owners of those entities. In certain cases, the approval or consent of the other owners is required before we may sell, finance, expand or make other significant changes in the operations of such Properties. To the extent such approvals or consents are required, we may experience difficulty in, or may be prevented from, implementing our plans with respect to expansion, development, financing or other similar transactions with respect to such Properties.

With respect to those Properties for which we do not serve as managing general partner (or equivalent), we do not have day-to-day operational control or control over certain major decisions, including leasing and the timing and amount of distributions, which could result in decisions by the managing entity that do not fully reflect our interests. This includes decisions relating to the requirements that we must satisfy in order to maintain our status as a REIT for tax purposes. However, decisions relating to sales, expansion and disposition of all or substantially all of the assets and financings are subject to approval by the Operating Partnership.

Bankruptcy of joint venture partners could impose delays and costs on us with respect to the jointly owned retail Properties.

In addition to the possible effects on our joint ventures of a bankruptcy filing by us, the bankruptcy of one of the other investors in any of our jointly owned shopping centers could materially and adversely affect the relevant Property or

Properties. Under the bankruptcy laws, we would be precluded from taking some actions affecting the estate of the other investor without prior approval of the bankruptcy court, which would, in most cases, entail prior notice to other parties and a hearing in the bankruptcy court. At a minimum, the requirement to obtain court approval

may delay the actions we would or might want to take. If the relevant joint venture through which we have invested in a Property has incurred recourse obligations, the discharge in bankruptcy of one of the other investors might result in our ultimate liability for a greater portion of those obligations than we would otherwise bear.

We may incur significant costs related to compliance with environmental laws, which could have a material adverse effect on our results of operations, cash flows and the funds available to us to pay dividends.

Under various federal, state and local laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the costs of removal or remediation of petroleum, certain hazardous or toxic substances on, under or in such real estate. Such laws typically impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances. The costs of remediation or removal of such substances may be substantial. The presence of such substances, or the failure to promptly remove or remediate such substances, may adversely affect the owner's or operator's ability to lease or sell such real estate or to borrow using such real estate as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at the disposal or treatment facility, regardless of whether such facility is owned or operated by such person. Certain laws also impose requirements on conditions and activities that may affect the environment or the impact of the environment on human health. Failure to comply with such requirements could result in the imposition of monetary penalties (in addition to the costs to achieve compliance) and potential liabilities to third parties. Among other things, certain laws require abatement or removal of friable and certain non-friable asbestos-containing materials in the event of demolition or certain renovations or remodeling. Certain laws regarding asbestos-containing materials require building owners and lessees, among other things, to notify and train certain employees working in areas known or presumed to contain asbestos-containing materials. Certain laws also impose liability for release of asbestos-containing materials into the air and third parties may seek recovery from owners or operators of real properties for personal injury or property damage associated with asbestos-containing materials. In connection with the ownership and operation of properties, we may be potentially liable for all or a portion of such costs or claims.

All of our Properties (but not properties for which we hold an option to purchase but do not yet own) have been subject to Phase I environmental assessments or updates of existing Phase I environmental assessments. Such assessments generally consisted of a visual inspection of the Properties, review of federal and state environmental databases and certain information regarding historic uses of the Property and adjacent areas and the preparation and issuance of written reports. Some of the Properties contain, or contained, underground storage tanks used for storing petroleum products or wastes typically associated with automobile service or other operations conducted at the Properties. Certain Properties contain, or contained, dry-cleaning establishments utilizing solvents. Where believed to be warranted, samplings of building materials or subsurface investigations were undertaken. At certain Properties, where warranted by the conditions, we have developed and implemented an operations and maintenance program that establishes operating procedures with respect to asbestos-containing materials. The cost associated with the development and implementation of such programs was not material. We have also obtained environmental insurance coverage at certain of our Properties.

We believe that our Properties are in compliance in all material respects with all federal, state and local ordinances and regulations regarding the handling, discharge and emission of hazardous or toxic substances. As of December 31, 2018, we have recorded in our consolidated financial statements a liability of $3.0 million related to potential future asbestos abatement activities at our Properties which are not expected to have a material impact on our financial condition or results of operations. We have not been notified by any governmental authority, and are not otherwise aware, of any material noncompliance, liability or claim relating to hazardous or toxic substances in connection with any of our present or former Properties. Therefore, we have not recorded any liability related to hazardous or toxic substances. Nevertheless, it is possible that the environmental assessments available to us do not reveal all potential environmental liabilities. It is also possible that subsequent investigations will identify material contamination, that adverse environmental conditions have arisen subsequent to the performance of the environmental assessments, or that there are material environmental liabilities of which management is unaware. Moreover, no assurances can be given that (i) future laws, ordinances or regulations will not impose any material environmental liability or (ii) the current environmental condition of the Properties has not been or will not be affected by tenants and occupants of the

Properties, by the condition of properties in the vicinity of the Properties or by third parties unrelated to us, the Operating Partnership or the relevant Property's partnership.

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Possible terrorist activity or other acts of violence could adversely affect our financial condition and results of operations.

Future terrorist attacks in the United States, and other acts of violence, including terrorism or war, might result in declining consumer confidence and spending, which could harm the demand for goods and services offered by our tenants and the values of our Properties, and might adversely affect an investment in our securities. A decrease in retail demand could make it difficult for us to renew or re-lease our Properties at lease rates equal to or above historical rates and, to the extent our tenants are affected, could adversely affect their ability to continue to meet obligations under their existing leases. Terrorist activities also could directly affect the value of our Properties through damage, destruction or loss. Furthermore, terrorist acts might result in increased volatility in national and international financial markets, which could limit our access to capital or increase our cost of obtaining capital.

We face possible risks associated with climate change.

We cannot determine with certainty whether global warming or cooling is occurring and, if so, at what rate. To the extent climate change causes changes in weather patterns, our properties in certain markets and regions could experience increases in storm intensity and rising sea levels. Over time, these conditions could result in volatile or decreased demand for retail space at certain of our Properties or, in extreme cases, our inability to operate the Properties at all. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) insurance on favorable terms and increasing the cost of energy and snow removal at our Properties. Moreover, compliance with new laws or regulations related to climate change, including compliance with "green" building codes, may require us to make improvements to our existing Properties or increase taxes and fees assessed on us or our Properties. At this time, there can be no assurance that climate change will not have a material adverse effect on us.

RISKS RELATED TO OUR BUSINESS AND THE MARKET FOR OUR STOCK

The loss of one or more significant tenants, due to bankruptcies or as a result of consolidations in the retail industry, could adversely affect both the operating revenues and value of our Properties.

We could be adversely affected by the bankruptcy, early termination, sales performance, or closing of tenants and Anchors. Certain of our lease agreements include co-tenancy and/or sales-based kick-out provisions which allow a tenant to pay a reduced rent amount and, in certain instances, terminate the lease, if we fail to maintain certain occupancy levels or retain specified named Anchors, or if the tenant does not achieve certain specified sales targets. If occupancy or tenant sales do not meet or fall below certain thresholds, rents we are entitled to receive from our retail tenants could be reduced. The bankruptcy of a tenant could result in the termination of its lease, which would lower the amount of cash generated by that Property. Replacing tenants with better performing, emerging retailers may take longer than our historical experience of re-tenanting due to their lack of infrastructure and limited experience in opening stores as well as the significant competition for such emerging brands. In addition, if a department store operating as an Anchor at one of our Properties were to cease operating, we may experience difficulty and delay and incur significant expense in replacing the Anchor, re-tenanting, or otherwise re-merchandising the use of the Anchor space. In addition, the Anchor’s closing may lead to reduced customer traffic and lower mall tenant sales. As a result, we may also experience difficulty or delay in leasing spaces in areas adjacent to the vacant Anchor space. The early termination or closing of tenants or Anchors for reasons other than bankruptcy could have a similar impact on the operations of our Properties, although in the case of early terminations we may benefit in the short-term from lease termination income.

Most recently, certain traditional department stores have experienced challenges including limited opportunities for new investment/openings, declining sales, and store closures. Department stores' market share is declining, and their ability to drive traffic has substantially decreased. Despite our Malls traditionally being driven by department store Anchors, in the event of a need for replacement, it may be necessary to consider non-department store Anchors. Certain of these non-department store Anchors may demand higher allowances than a standard mall tenant due to the nature of the services/products they provide.

The market price of our common stock or other securities may fluctuate significantly.

The market price of our common stock or other securities may fluctuate significantly in response to many factors, including:

- actual or anticipated variations in our operating results, FFO, cash flows or liquidity;
- changes in our earnings estimates or those of analysts;

- changes in our dividend policy;
- impairment charges affecting the carrying value of one or more of our Properties or other assets;
- publication of research reports about us, the retail industry or the real estate industry generally;
- increases in market interest rates that lead purchasers of our securities to seek higher dividend or interest rate yields;
- changes in market valuations of similar companies;
- adverse market reaction to the amount of our outstanding debt at any time, the amount of our maturing debt in the near and medium term and our ability to refinance such debt and the terms thereof or our plans to incur additional debt in the future;
- additions or departures of key management personnel;
- actions by institutional security holders;
- proposed or adopted regulatory or legislative changes or developments;
- speculation in the press or investment community;
- changes in our credit ratings;
- the occurrence of any of the other risk factors included in, or incorporated by reference in, this report; and
- general market and economic conditions.

Many of the factors listed above are beyond our control. Those factors may cause the market price of our common stock or other securities to decline significantly, regardless of our financial performance and condition and prospects. It is impossible to provide any assurance that the market price of our common stock or other securities will not fall in the future, and it may be difficult for holders to sell such securities at prices they find attractive, or at all.

We are in a competitive business.

There are numerous shopping facilities that compete with our Properties in attracting retailers to lease space. Our ability to attract tenants to our Properties and lease space is important to our success, and difficulties in doing so can materially impact our Properties' performance. The existence of competing shopping centers could have a material adverse impact on our ability to develop or operate Properties, lease space to desirable Anchors and tenants, and on the level of rents that can be achieved. In addition, retailers at our Properties face continued competition from shopping through various means and channels, including via the internet, lifestyle centers, value and outlet centers, wholesale and discount shopping clubs, and television shopping networks. Competition of this type could adversely affect our revenues and cash available for distribution to shareholders.

As new technologies emerge, the relationship among customers, retailers, and shopping centers are evolving on a rapid basis and we may not be able to adapt to such new technologies and relationships on a timely basis. Our relative size may limit the capital and resources we are willing to allocate to invest in strategic technology to enhance the mall experience, which may make our Malls relatively less desirable to anchors, mall tenants, and consumers. Additionally, a small but increasing number of tenants utilize our Malls as showrooms or as part of an omni-channel strategy (allowing customers to shop seamlessly through various sales channels). As a result, customers may make purchases through other sales channels during or immediately after visiting our Malls, with such sales not being captured currently in our tenant sales figures or monetized in our minimum or overage rents.

We compete with other major real estate investors with significant capital for attractive investment opportunities. These competitors include other REITs, investment banking firms, and private and institutional investors, some of whom have greater financial resources or have different investment criteria than we do. In particular, there is competition to acquire, develop, or redevelop highly productive retail properties. This could become even more severe as competitors gain size and economies of scale as a result of merger and consolidation activity. This competition may impair our ability to acquire, develop, or redevelop suitable properties, and to attract key retailers, on favorable terms in the future.

Increased operating expenses, decreased occupancy rates and tenants converting to gross leases may not allow us to recover the majority of our CAM, real estate taxes and other operating expenses from our tenants, which could adversely affect our financial position, results of operations and funds available for future distributions.

Energy costs, repairs, maintenance and capital improvements to common areas of our Properties, janitorial services, administrative, property and liability insurance costs and security costs are typically allocable to our Properties' tenants. Our lease agreements typically provide that the tenant is liable for a portion of the CAM and other operating expenses. While historically our lease agreements provided for variable CAM provisions, the majority of our current leases require an equal periodic tenant reimbursement amount for our cost recoveries which serves to fix our tenants' CAM contributions to us. In these cases, a tenant will pay a fixed amount, or a set expense reimbursement amount, subject to annual increases, regardless of the actual amount of operating expenses. The tenant's payment remains the same regardless of whether operating expenses increase or decrease, causing us to be responsible for any excess amounts or to benefit from any declines. As a result, the CAM and tenant reimbursements that we receive may or may not allow us to recover a substantial portion of these operating costs.

There is also a trend of more tenants moving to gross leases, which provide that the tenant pays a single specified amount, with no additional payments for reimbursements of the tenant's portion of operating expenses. As a result, we are responsible for any increases in operating expenses, and benefit from any decreases in operating expenses. Additionally, in the event that our Properties are not fully occupied, we would be required to pay the portion of any operating, redevelopment or renovation expenses allocable to the vacant space(s) that would otherwise typically be paid by the residing tenant(s). Our cost recovery ratio was 89.4% for 2018.

Our Properties may be subject to impairment charges, which could impact our compliance with certain debt covenants and could otherwise adversely affect our financial results.

We monitor events or changes in circumstances that could indicate the carrying value of a long-lived asset may not be recoverable. When indicators of potential impairment are present that suggest that the carrying amounts of a long-lived asset may not be recoverable, we assess the recoverability of the asset by determining whether the asset’s carrying value will be recovered through the estimated undiscounted future cash flows expected from our probability weighted use of the asset and its eventual disposition. In the event that such undiscounted future cash flows do not exceed the carrying value, we adjust the carrying value of the long-lived asset to its estimated fair value and recognize an impairment loss. The estimated fair value is calculated based on the following information, in order of preference, depending upon availability: (Level 1) recently quoted market prices, (Level 2) market prices for comparable properties, or (Level 3) the present value of future cash flows, including estimated salvage value. Certain of our long-lived assets may be carried at more than an amount that could be realized in a current disposition transaction. Projections of expected future operating cash flows require that we estimate future market rental income amounts subsequent to expiration of current lease agreements, property operating expenses, the number of months it takes to re-lease the Property, and the number of years the Property is held for investment, among other factors. As these assumptions are subject to economic and market uncertainties, they are difficult to predict and are subject to future events that may alter the assumptions used or management’s estimates of future possible outcomes. Therefore, the future cash flows estimated in our impairment analyses may not be achieved. Further, while the Company has not experienced any non-compliance with debt covenants as a result of the impairment analyses described above, it is possible that future reductions in the carrying value of our assets as a result of such analyses could impact our continued compliance with certain of our debt covenants that require us to maintain specified ratios of total debt to total assets, secured debt to total assets and total unencumbered assets to total debt. During 2018, we recorded a loss on impairment of real estate totaling $174.5 million, which primarily related to four malls. See Note 16 to the consolidated financial statements for further details.

Inflation or deflation may adversely affect our financial condition and results of operations.

Increased inflation could have a pronounced negative impact on our mortgage and debt interest and general and administrative expenses, as these costs could increase at a rate higher than our rents. Also, inflation may cause operating expenses to rise and adversely affect tenant leases with stated rent increases, which could be lower than the increase in inflation at any given time. Inflation could also have an adverse effect on consumer spending which could impact our tenants' sales and, in turn, our percentage rents, where applicable.

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Deflation can result in a decline in general price levels, often caused by a decrease in the supply of money or credit. The predominant effects of deflation are high unemployment, credit contraction and weakened consumer demand. Restricted lending practices could impact our ability to obtain financings or refinancings for our Properties and our tenants' ability to obtain credit. Decreases in consumer demand can have a direct impact on our tenants and the rents we receive.

We have experienced cybersecurity attacks that, to date, have not had a material impact on our financial results, but it is not possible to predict the impact of future incidents that may involve security breaches through cyber-attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology ("IT") networks and related systems, which could harm our business by disrupting our operations and compromising or corrupting confidential information, which could adversely impact our financial condition.

We rely on IT systems and network infrastructure, including the Internet, to process, transmit and store electronic information and to manage or support a variety of our business processes, including financial transactions and maintenance of records. The risk of a security breech or disruption, particularly through cyber-attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Our IT networks and related systems and infrastructure are essential to the operation of our business and our ability to perform day-to-day operations (including managing our building systems) and, in some cases, may be critical to the operations of certain of our tenants. Cyber-attacks targeting our infrastructure could result in a full or partial disruption of our operations, as well as those of our tenants. Certain of these resources are provided to us and/or maintained on our behalf by third-party service providers pursuant to agreements that specify to varying degrees certain security and service level standards. Although we and our service providers have implemented processes, procedures and controls to help mitigate these risks, we cannot guarantee that these security efforts and measures, as well as our increased awareness of the risk of cyber incidents, will be effective at preventing or detecting any attempted or actual security breaches or that disruptions caused by any such breaches or attempted breaches will not be successful or damaging to us or others. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

A security breach or other significant disruption involving our IT networks and related systems could occur due to a virus or other harmful circumstance, intentional penetration or disruption of our information technology resources by a third party, natural disaster, hardware or software corruption or failure or error or poor product or vendor/developer selection (including a failure of security controls incorporated into or applied to such hardware or software), telecommunications system failure, service provider error or failure, intentional or unintentional personnel actions (including the failure to follow our security protocols), or lost connectivity to our networked resources. Such occurrences could disrupt the proper functioning of our networks and systems; result in disruption of business operations and loss of service to our tenants and customers; result in significantly decreased revenues; result in increased costs associated in obtaining and maintaining cybersecurity investigations and testing, as well as implementing protective measures and systems; result in increased insurance premiums and operating costs; result in misstated financial reports and/or missed reporting deadlines; result in our inability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT; result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive or otherwise valuable information of ours or others, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes; result in our inability to maintain the building systems relied upon by our tenants for the efficient use of their leased space; require significant management attention and resources to remedy any damages that result; subject us to claims for breach of contract, damages, credits, penalties or termination of leases or other agreements; subject us to regulatory investigations and actions; cause harm to our competitive position and business value; and damage our reputation among our tenants and investors generally. Moreover, cyber-attacks perpetrated against our Anchors and tenants, including unauthorized access to customers’ credit card data and other confidential

information, could subject us to significant litigation, liability and costs, adversely impact our reputation, or diminish consumer confidence and consumer spending and negatively impact our business.

Certain agreements with prior owners of Properties that we have acquired may inhibit our ability to enter into future sale or refinancing transactions affecting such Properties, which otherwise would be in the best interests of the Company and our stockholders.
Certain Properties that we originally acquired from third parties had unrealized gain attributable to the difference between the fair market value of such Properties and the third parties' adjusted tax basis in the Properties immediately prior to their contribution of such Properties to the Operating Partnership pursuant to our acquisition. For this reason, a taxable sale by us of any of such Properties, or a significant reduction in the debt encumbering such Properties, could result in adverse tax consequences to the third parties who contributed these Properties in exchange for interests in the Operating Partnership. Under the terms of these transactions, we have generally agreed that we either will not sell or refinance such an acquired Property for a number of years in any transaction that would trigger adverse tax consequences for the parties from whom we acquired such Property, or else we will reimburse such parties for all or a portion of the additional taxes they are required to pay as a result of the transaction. Accordingly, these agreements may cause us not to engage in future sale or refinancing transactions affecting such Properties which otherwise would be in the best interests of the Company and our stockholders, or may increase the costs to us of engaging in such transactions.
Declines in economic conditions, including increased volatility in the capital and credit markets, could adversely affect our business, results of operations and financial condition.
An economic recession can result in extreme volatility and disruption of our capital and credit markets. The resulting economic environment may be affected by dramatic declines in the stock and housing markets, increases in foreclosures, unemployment and costs of living, as well as limited access to credit. This economic situation can, and most often will, impact consumer spending levels, which can result in decreased revenues for our tenants and related decreases in the values of our Properties. A sustained economic downward trend could impact our tenants' ability to meet their lease obligations due to poor operating results, lack of liquidity, bankruptcy or other reasons. Our ability to lease space and negotiate rents at advantageous rates could also be affected in this type of economic environment. Additionally, access to capital and credit markets could be disrupted over an extended period, which may make it difficult to obtain the financing we may need for future growth and/or to meet our debt service obligations as they mature. Any of these events could harm our business, results of operations and financial condition.
Uninsured losses could adversely affect our financial condition, and in the future our insurance may not include coverage for acts of terrorism.
We carry a comprehensive blanket policy for general liability, property casualty (including fire, earthquake and flood) and rental loss covering all of the Properties, with specifications and insured limits customarily carried for similar properties. However, even insured losses could result in a serious disruption to our business and delay our receipt of revenue. Furthermore, there are some types of losses, including lease and other contract claims, as well as some types of environmental losses, that generally are not insured or are not economically insurable. If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital we have invested in a Property, as well as the anticipated future revenues from the Property. If this happens, we, or the applicable Property's partnership, may still remain obligated under guarantees provided to the lender for any mortgage debt or other financial obligations related to the Property.
The general liability and property casualty insurance policies on our Properties currently include coverage for losses resulting from acts of terrorism, as defined by TRIPRA. While we believe that the Properties are adequately insured in accordance with industry standards, the cost of general liability and property casualty insurance policies that include coverage for acts of terrorism has risen significantly subsequent to September 11, 2001. The cost of coverage for acts of terrorism is currently mitigated by the Terrorism Risk Insurance Act (“TRIA”). In January 2015, Congress reinstated TRIA under the Terrorism Risk Insurance Program Reauthorization Act of 2015 ("TRIPRA") and extended the program through December 31, 2020. Under TRIPRA, the amount of terrorism-related insurance losses triggering the federal insurance threshold will be raised from$180 million in 2019 to $200 million in 2020. Additionally, the bill increases insurers' co-payments for losses exceeding their deductibles, in annual steps, from 19% in 2019 to 20% in 2020. Each of these changes may have the effect of increasing the cost to insure against acts of terrorism for property owners, such as the Company, notwithstanding the other provisions of TRIPRA. Further, if TRIPRA is not continued

beyond 2020 or is significantly modified, we may incur higher insurance costs and experience greater difficulty in obtaining insurance that covers terrorist-related damages. Our tenants may also have similar difficulties.

RISKS RELATED TO DEBT AND FINANCIAL MARKETS

A deterioration of the capital and credit markets could adversely affect our ability to access funds and the capital needed to refinance debt or obtain new debt.

We are significantly dependent upon external financing to fund the growth of our business and ensure that we meet our debt servicing requirements. Our access to financing depends on the willingness of lending institutions to grant credit to us and conditions in the capital markets in general. An economic recession may cause extreme volatility and disruption in the capital and credit markets. We rely upon our largest credit facilities as sources of funding for numerous transactions. Our access to these funds is dependent upon the ability of each of the participants to the credit facilities to meet their funding commitments. When markets are volatile, access to capital and credit markets could be disrupted over an extended period of time and many financial institutions may not have the available capital to meet their previous commitments. The failure of one or more significant participants to our credit facilities to meet their funding commitments could have an adverse effect on our financial condition and results of operations. This may make it difficult to obtain the financing we may need for future growth and/or to meet our debt service obligations as they mature. Although we have successfully obtained debt for refinancings and retirement of our maturing debt, acquisitions and the construction of new developments in the past, we cannot make any assurances as to whether we will be able to obtain debt in the future, or that the financing options available to us will be on favorable or acceptable terms.

Our indebtedness is substantial and could impair our ability to obtain additional financing.

At December 31, 2018, our total share of consolidated and unconsolidated debt outstanding was approximately $4,597.5 million. Excluding unamortized deferred financing costs, our total share of consolidated and unconsolidated debt outstanding represented approximately 82.2% of our total market capitalization at December 31, 2018. Our total share of consolidated and unconsolidated debt maturing in 2019, 2020 and 2021 giving effect to all maturity extensions that are available at our election, was approximately $447.4 million, $438.7 million and $820.3 million, respectively. Additionally, we had $177.4 million of debt, at our share, which matured in 2017 and 2018, related to three non-recourse loans that were in default. Subsequent to December 31, 2018, the two loans secured by consolidated properties were extinguished when Acadiana Mall was transferred to the lender through a deed-in-lieu of foreclosure and Cary Towne Center was sold with proceeds going to the lender. See Note 6 and Note 7 to the consolidated financial statements for more information. Our leverage could have important consequences. For example, it could:

- result in the acceleration of a significant amount of debt for non-compliance with the terms of such debt or, if such debt contains cross-default or cross-acceleration provisions, other debt;
- result in the loss of assets due to foreclosure or sale on unfavorable terms, which could create taxable income without accompanying cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Internal Revenue Code;
- materially impair our ability to borrow unused amounts under existing financing arrangements or to obtain additional financing or refinancing on favorable terms or at all;
- require us to dedicate a substantial portion of our cash flow to paying principal and interest on our indebtedness, reducing the cash flow available to fund our business, to pay dividends, including those necessary to maintain our REIT qualification, or to use for other purposes;
- increase our vulnerability to an economic downturn;
- limit our ability to withstand competitive pressures; or
- reduce our flexibility to respond to changing business and economic conditions.

If any of the foregoing occurs, our business, financial condition, liquidity, results of operations and prospects could be materially and adversely affected, and the trading price of our common stock or other securities could decline significantly.

Rising interest rates could both increase our borrowing costs, thereby adversely affecting our cash flows and the amounts available for distributions to our stockholders, and decrease our stock price, if investors seek higher yields through other investments.
An environment of rising interest rates could lead holders of our securities to seek higher yields through other investments, which could adversely affect the market price of our stock. One of the factors that may influence the price of our stock in public markets is the annual distribution rate we pay as compared with the yields on alternative investments. Numerous other factors, such as governmental regulatory action and tax laws, could have a significant impact on the future market price of our stock. In addition, increases in market interest rates could result in increased borrowing costs for us, which may adversely affect our cash flow and the amounts available for distributions to our stockholders.
As of December 31, 2018, our total share of consolidated and unconsolidated variable-rate debt was $1,055.7 million. Increases in interest rates will increase our cash interest payments on the variable-rate debt we have outstanding from time to time. If we do not have sufficient cash flow from operations, we might not be able to make all required payments of principal and interest on our debt, which could result in a default or have a material adverse effect on our financial condition and results of operations, and which might adversely affect our cash flow and our ability to make distributions to shareholders. These significant debt payment obligations might also require us to use a significant portion of our cash flow from operations to make interest and principal payments on our debt rather than for other purposes such as working capital, capital expenditures or distributions on our common equity.
It is also important to note that our variable-rate debt uses LIBOR as a benchmark for establishing the rate. LIBOR is the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to disappear entirely or to perform differently than in the past. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable-rate debt.
Adverse changes in our credit ratings could negatively affect our borrowing costs and financing ability.
As of December 31, 2018, we had credit ratings of Ba1 from Moody's Investors Service ("Moody’s"), BB+ from Standard & Poor's Rating Services ("S&P") and BB- from Fitch Ratings ("Fitch"), which are based on credit ratings for the Operating Partnership's unsecured long-term indebtedness. There can be no assurance that we will be able to maintain these ratings.
In 2013, we made a one-time irrevocable election to use our credit ratings, as defined above, to determine the interest rate on our three unsecured credit facilities and two unsecured term loans. As of December 31, 2018, borrowings under our three unsecured credit facilities bore interest at LIBOR plus 155 basis points and our unsecured term loans bore interest at LIBOR plus 175 and 200 basis points, respectively, based on the credit ratings noted above. A downgrade in our credit ratings may adversely impact our ability to obtain financing and limit our access to capital. Subsequent to December 31, 2018, we replaced our unsecured credit facilities and unsecured term loans with a new $1.185 billion secured facility with 16 banks, comprised of a $685 million secured line of credit and a $500 million secured term loan, which bear interest at a variable rate of LIBOR plus 225 basis points. The interest rate of the new facility is not dependent on our credit ratings. See Liquidity and Capital Resources section and Note 20 to the consolidated financial statements for additional information.
Our hedging arrangements might not be successful in limiting our risk exposure, and we might be required to incur expenses in connection with these arrangements or their termination that could harm our results of operations or financial condition.
From time to time, we use interest rate hedging arrangements to manage our exposure to interest rate volatility, but these arrangements might expose us to additional risks, such as requiring that we fund our contractual payment obligations under such arrangements in relatively large amounts or on short notice. Developing an effective interest rate risk strategy is complex, and no strategy can completely insulate us from risks associated with interest rate fluctuations. We cannot assure you that our hedging activities will have a positive impact on our results of operations or financial condition. We might be subject to additional costs, such as transaction fees or breakage costs, if we terminate these arrangements. In addition, although our interest rate risk management policy establishes minimum credit ratings for counterparties, this does not eliminate the risk that a counterparty might fail to honor its obligations.

The covenants in our credit facilities and in the Notes might adversely affect us.

Our credit facilities, as well as the terms of the Notes, require us to satisfy certain affirmative and negative covenants and to meet numerous financial tests, and also contain certain default and cross-default provisions as described in more detail in Note 7 to the consolidated financial statements. Our credit facilities also restrict our ability to enter into any transaction that could result in certain changes in our ownership or structure as described under the heading "Change of Control/Change in Management" in the agreements for the credit facilities.

The financial covenants under the unsecured credit facilities required, among other things, that our debt to total asset value ratio, as defined in the agreements to our unsecured credit facilities, be less than 60%, that our ratio of unsecured indebtedness to unencumbered asset value, as defined, be less than 60%, that our ratio of unencumbered NOI to unsecured interest expense, as defined, be greater than 1.75, and that our ratio of earnings before EBITDA to fixed charges (debt service), as defined, be greater than 1.5. The financial covenants under the Notes also require, among other things, that our debt to total assets, as defined in the indenture governing the Notes, be less than 60%, that our ratio of total unencumbered assets to unsecured indebtedness, as defined, be greater than 150%, and that our ratio of consolidated income available for debt service to annual debt service charges, as defined, be greater than 1.5. For the 2023 Notes and the 2024 Notes, the financial covenants require that our ratio of secured debt to total assets, as defined, be less than 45% (40% on and after January 1, 2020). The financial covenants require that our ratio of secured debt to total assets, as defined, be less than 40% for the 2026 Notes. Compliance with each of these ratios is dependent upon our financial performance. The debt to total asset value ratio is based, in part, on applying a capitalization rate to EBITDA as defined in the agreements governing our credit facilities. Based on this calculation method, decreases in EBITDA would result in an increased debt to total asset value ratio, assuming overall debt levels remain constant.

If any future failure to comply with one or more of these covenants resulted in the loss of these credit facilities or a default under the Notes and we were unable to obtain suitable replacement financing, such loss could have a material, adverse impact on our financial position and results of operations.

As noted above, subsequent to December 31, 2018, we replaced our unsecured credit facilities with a secured credit facility. The new credit facility contains financial covenants which are calculated in a manner consistent with those of the Notes. See Liquidity and Capital Resources section for a pro forma presentation of the new covenants.

RISKS RELATED TO THE OPERATING PARTNERSHIP'S NOTES

CBL has no significant operations and no material assets other than its indirect investment in the Operating Partnership; therefore, the limited guarantee of the Notes does not provide material additional credit support.

The limited guarantee provides that the Notes are guaranteed by CBL for any losses suffered by reason of fraud or willful misrepresentation by the Operating Partnership or its affiliates. However, CBL has no significant operations and no material assets other than its indirect investment in the Operating Partnership. Furthermore, the limited guarantee of the Notes is effectively subordinated to all existing and future liabilities and preferred equity of the Company's subsidiaries (including the Operating Partnership (except as to the Notes) and any entity the Company accounts for under the equity method of accounting) and any of the Company's secured debt, to the extent of the value of the assets securing any such indebtedness. Due to the narrow scope of the limited guarantee, the lack of significant operations or assets at CBL other than its indirect investment in the Operating Partnership and the structural subordination of the limited guarantee to the liabilities and any preferred equity of the Company's subsidiaries, the limited guarantee does not provide material additional credit support.

Our substantial indebtedness could materially and adversely affect us and the ability of the Operating Partnership to meet its debt service obligations under the Notes.

Our level of indebtedness and the limitations imposed on us by our debt agreements could have significant adverse consequences to holders of the Notes, including the following:

- our cash flow may be insufficient to meet our debt service obligations with respect to the Notes and our other indebtedness, which would enable the lenders and other debtholders to accelerate the maturity of their indebtedness, or be insufficient to fund other important business uses after meeting such obligations;
- we may be unable to borrow additional funds as needed or on favorable terms;

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- we may be unable to refinance our indebtedness at maturity or earlier acceleration, if applicable, or the refinancing terms may be less favorable than the terms of our original indebtedness or otherwise be generally unfavorable;
- because a significant portion of our debt bears interest at variable rates, increases in interest rates could materially increase our interest expense;
- increases in interest rates could also materially increase our interest expense on future fixed rate debt;
- we may be forced to dispose of one or more of our Properties, possibly on disadvantageous terms;
- we may default on our other unsecured indebtedness;
- we may default on our secured indebtedness and the lenders may foreclose on our Properties or our interests in the entities that own the Properties that secure such indebtedness and receive an assignment of rents and leases; and
- we may violate restrictive covenants in our debt agreements, which would entitle the lenders and other debtholders to accelerate the maturity of their indebtedness.

If any one of these events were to occur, our business, financial condition, liquidity, results of operations and prospects, as well as the Operating Partnership's ability to satisfy its obligations with respect to the Notes, could be materially and adversely affected. Furthermore, foreclosures could create taxable income without accompanying cash proceeds, a circumstance which could hinder the Company's ability to meet the REIT distribution requirements imposed by the Internal Revenue Code.

The structural subordination of the Notes may limit the Operating Partnership's ability to meet its debt service obligations under the Notes.

The Notes are the Operating Partnership's unsecured and unsubordinated indebtedness and rank equally with the Operating Partnership's existing and future unsecured and unsubordinated indebtedness, and are effectively junior to all liabilities and any preferred equity of the Operating Partnership's subsidiaries and to all of the Operating Partnership's indebtedness that is secured by the Operating Partnership's assets, to the extent of the value of the assets securing such indebtedness. While the indenture governing the Notes limits our ability to incur additional secured indebtedness in the future, it will not prohibit us from incurring such indebtedness if we are in compliance with certain financial ratios and other requirements at the time of its incurrence. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to us, the holders of any secured indebtedness will, subject to obtaining relief from the automatic stay under section 362 of the Bankruptcy Code, be entitled to proceed directly against the collateral that secures the secured indebtedness. Therefore, such collateral generally will not be available for satisfaction of any amounts owed under our unsecured indebtedness, including the Notes, until such secured indebtedness is satisfied in full.

The Notes also are effectively subordinated to all liabilities, whether secured or unsecured, and any preferred equity of the subsidiaries of the Operating Partnership. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding with respect to any such subsidiary, the Operating Partnership, as an equity owner of such subsidiary, and therefore holders of our debt, including the Notes, will be subject to the prior claims of such subsidiary's creditors, including trade creditors, and preferred equity holders. Furthermore, while the indenture governing the Notes limits the ability of our subsidiaries to incur additional unsecured indebtedness in the future, it does not prohibit our subsidiaries from incurring such indebtedness if such subsidiaries are in compliance with certain financial ratios and other requirements at the time of its incurrence.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to meet our debt service obligations on, and to refinance, our indebtedness, including the Notes, and to fund our operations, working capital, acquisitions, capital expenditures and other important business uses, depends on our ability to generate sufficient cash flow in the future. To a certain extent, our cash flow is subject to general economic, industry, financial, competitive, operating, legislative, regulatory and other factors, many of which are beyond our control.

We cannot be certain that our business will generate sufficient cash flow from operations or that future sources of cash will be available to us in an amount sufficient to enable us to meet our debt service obligations on our indebtedness, including the Notes, or to fund our other important business uses. Additionally, if we incur additional indebtedness in connection with future acquisitions or development projects or for any other purpose, our debt service

obligations could increase significantly and our ability to meet those obligations could depend, in large part, on the returns from such acquisitions or projects, as to which no assurance can be given.

We may need to refinance all or a portion of our indebtedness, including the Notes, at or prior to maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things:

- our financial condition, liquidity, results of operations and prospects and market conditions at the time; and
- restrictions in the agreements governing our indebtedness.

As a result, we may not be able to refinance any of our indebtedness, including the Notes, on favorable terms, or at all. If we do not generate sufficient cash flow from operations, and additional borrowings or refinancings are not available to us, we may be unable to meet all of our debt service obligations, including payments on the Notes. As a result, we would be forced to take other actions to meet those obligations, such as selling Properties, raising equity or delaying capital expenditures, any of which could have a material adverse effect on us. Furthermore, we cannot be certain that we will be able to effect any of these actions on favorable terms, or at all.

Despite our substantial outstanding indebtedness, we may still incur significantly more indebtedness in the future, which would exacerbate any or all of the risks described above.

We may be able to incur substantial additional indebtedness in the future. Although the agreements governing our revolving credit facilities, term loans and certain other indebtedness do, and the indenture governing the Notes does, limit our ability to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. To the extent that we incur substantial additional indebtedness in the future, the risks associated with our substantial leverage described above, including our inability to meet our debt service obligations, would be exacerbated.

Federal and state statutes allow courts, under specific circumstances, to void guarantees and require holders of indebtedness and lenders to return payments received from guarantors.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee, such as the limited guarantee provided by CBL or any future guarantee of the Notes issued by any subsidiary of the Operating Partnership, could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor, if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee (i) received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee and (ii) one of the following was true with respect to the guarantor:

- the guarantor was insolvent or rendered insolvent by reason of the incurrence of the guarantee;
- the guarantor was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- the guarantor intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

In addition, any claims in respect of a guarantee could be subordinated to all other debts of that guarantor under principles of "equitable subordination," which generally require that the claimant must have engaged in some type of inequitable conduct, the misconduct must have resulted in injury to the creditors of the debtor or conferred an unfair advantage on the claimant, and equitable subordination must not be inconsistent with other provisions of the U.S. Bankruptcy Code.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they became absolute and mature; or
- it could not pay its debts as they become due.

The court might also void such guarantee, without regard to the above factors, if it found that a guarantor entered into its guarantee with actual or deemed intent to hinder, delay, or defraud its creditors.
A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee unless it benefited directly or indirectly from the issuance or incurrence of such indebtedness. This risk may be increased if any subsidiary of the Operating Partnership guarantees the Notes in the future, as no additional consideration would be received at the time such guarantee is issued. If a court voided such guarantee, holders of the indebtedness and lenders would no longer have a claim against such guarantor or the benefit of the assets of such guarantor constituting collateral that purportedly secured such guarantee. In addition, the court might direct holders of the indebtedness and lenders to repay any amounts already received from a guarantor.
The indenture governing the Notes contains restrictive covenants that may restrict our ability to expand or fully pursue certain of our business strategies.
The indenture governing the Notes contains financial and operating covenants that, among other things, restrict our ability to take specific actions, even if we believe them to be in our best interest, including, subject to various exceptions, restrictions on our ability to:

- consummate a merger, consolidation or sale of all or substantially all of our assets; and
- incur secured and unsecured indebtedness.

In addition, our revolving credit facilities, term loans and certain other debt agreements require us to meet specified financial ratios and the indenture governing the Notes requires us to maintain at all times a specified ratio of unencumbered assets to unsecured debt. These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these and other provisions of the indenture governing the Notes, our revolving credit facility and certain other debt agreements may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments or other events beyond our control.
The breach of any of these covenants could result in a default under our indebtedness, which could result in the acceleration of the maturity of such indebtedness. If any of our indebtedness is accelerated prior to maturity, we may not be able to repay such indebtedness or refinance such indebtedness on favorable terms, or at all.
There is no prior public market for the Notes, so if an active trading market does not develop or is not maintained for the Notes, holders of the Notes may not be able to resell them on favorable terms when desired, or at all.
Prior to the offering of each of the 2023 Notes, the 2024 Notes and the 2026 Notes, there was no public market for such Notes and we cannot be certain that an active trading market will ever develop for the Notes or, if one develops, will be maintained. Furthermore, we do not intend to apply for listing of the Notes on any securities exchange or for the inclusion of the Notes on any automated dealer quotation system. The underwriters informed us that they intend to make a market in the Notes. However, the underwriters may cease their market making at any time without notice to or the consent of existing holders of the Notes. The lack of a trading market could adversely affect a holder's ability to sell the Notes when desired, or at all, and the price at which a holder may be able to sell the Notes. The liquidity of the trading market, if any, and future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our financial condition, liquidity, results of operations and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. It is possible that the market for the Notes will be subject to disruptions which may have a negative effect on the holders of the Notes, regardless of our financial condition, liquidity, results of operations or prospects.
RISKS RELATED TO GEOGRAPHIC CONCENTRATIONS
Since our Properties are located principally in the southeastern and midwestern United States, our financial position, results of operations and funds available for distribution to shareholders are subject generally to economic conditions in these regions and, in particular, to adverse economic developments affecting the operating results of Properties in our five largest markets.
Our Properties are located principally in the southeastern and midwestern United States. Our Properties located in the southeastern United States accounted for approximately 49.3% of our total revenues from all Properties for the year ended December 31, 2018 and currently include 31 malls, 12 associated centers, 7 community centers and 4 office buildings. Our Properties located in the midwestern United States accounted for approximately 26.9% of our total

revenues from all Properties for the year ended December 31, 2018 and currently include 19 malls,

2 associated centers and 1 self-storage facility. Further, the Properties located in our five largest metropolitan area markets - St. Louis, MO; Chattanooga, TN; Laredo, TX; Lexington, KY; and Madison, WI - accounted for approximately 6.3%, 5.0%, 3.8%, 3.8% and 3.4%, respectively, of our total revenues for the year ended December 31, 2018. No other market accounted for more than 3.0% of our total revenues for the year ended December 31, 2018. Our results of operations and funds available for distribution to shareholders therefore will be impacted generally by economic conditions in the southeastern and midwestern United States, and particularly by the results experienced at Properties located in our five largest market areas. While we already have Properties located in six states across the southwestern, northeastern and western regions, we will continue to look for opportunities to geographically diversify our portfolio in order to minimize dependency on any particular region; however, the expansion of the portfolio through both acquisitions and developments is contingent on many factors including consumer demand, competition and economic conditions.

RISKS RELATED TO DIVIDENDS

We may change the dividend policy for our common stock in the future.

Depending upon our liquidity needs, we reserve the right to pay any or all of a dividend in a combination of cash and shares of common stock, to the extent permitted by any applicable revenue procedures of the Internal Revenue Service ("IRS"). In the event that we pay a portion of our dividends in shares of our common stock pursuant to such procedures, taxable U.S. stockholders would be required to pay tax on the entire amount of the dividend, including the portion paid in shares of common stock, in which case such stockholders may have to use cash from other sources to pay such tax. If a U.S. stockholder sells the common stock it receives as a dividend in order to pay its taxes, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold federal tax with respect to our dividends, including dividends that are paid in common stock. In addition, if a significant number of our stockholders sell shares of our common stock in order to pay taxes owed on dividends, such sales would put downward pressure on the market price of our common stock.

The decision to declare and pay dividends on our common stock in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our Board of Directors and will depend on our earnings, taxable income, FFO, liquidity, financial condition, capital requirements, contractual prohibitions or other limitations under our indebtedness and preferred stock, the annual distribution requirements under the REIT provisions of the Internal Revenue Code, Delaware law and such other factors as our Board of Directors deems relevant. Any dividends payable will be determined by our Board of Directors based upon the circumstances at the time of declaration. Any change in our dividend policy could have a material adverse effect on the market price of our common stock.

Since we conduct substantially all of our operations through our Operating Partnership, our ability to pay dividends on our common and preferred stock depends on the distributions we receive from our Operating Partnership.

Because we conduct substantially all of our operations through our Operating Partnership, our ability to service our debt obligations, as well as our ability to pay dividends on our common and preferred stock will depend almost entirely upon the earnings and cash flows of the Operating Partnership and the ability of the Operating Partnership to make distributions to us on our ownership interests in our Operating Partnership. Under the Delaware Revised Uniform Limited Partnership Act, the Operating Partnership is prohibited from making any distribution to us to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the Operating Partnership (other than some non-recourse liabilities and some liabilities to the partners) exceed the fair value of the assets of the Operating Partnership.

Additionally, the terms of the secured credit facility that the Operating Partnership entered into on January 30, 2019, provides generally that distributions the Operating Partnership makes to us and the other partners in the Operating Partnership (i) may not exceed the greater of the amount necessary to maintain our status as a REIT or 95% of FFO, so long as there is no event of default (as defined), (ii) in the event of a default, may be restricted to the minimum amount necessary to maintain our status as a REIT and (iii) in the event of default for nonpayment of amounts due under the facility, the Operating Partnership may be prohibited from making any distributions. This in turn may limit our ability to make some types of payments, including payment of dividends to our stockholders. Any inability to

make cash distributions from the Operating Partnership could jeopardize our ability to pay dividends to our stockholders for one or more dividend periods which, in turn, could jeopardize our ability to maintain qualification as a REIT.

RISKS RELATED TO FEDERAL INCOME TAX LAWS

We conduct a portion of our business through taxable REIT subsidiaries, which are subject to certain tax risks.

We have established several taxable REIT subsidiaries including our Management Company. Despite our qualification as a REIT, our taxable REIT subsidiaries must pay income tax on their taxable income. In addition, we must comply with various tests to continue to qualify as a REIT for federal income tax purposes, and our income from and investments in our taxable REIT subsidiaries generally do not constitute permissible income and investments for these tests. While we will attempt to ensure that our dealings with our taxable REIT subsidiaries will not adversely affect our REIT qualification, we cannot provide assurance that we will successfully achieve that result. Furthermore, we may be subject to a 100% penalty tax, or our taxable REIT subsidiaries may be denied deductions, to the extent our dealings with our taxable REIT subsidiaries are not deemed to be arm's length in nature.

If we fail to qualify as a REIT in any taxable year, our funds available for distribution to stockholders will be reduced.

We intend to continue to operate so as to qualify as a REIT under the Internal Revenue Code. Although we believe that we are organized and operate in such a manner, no assurance can be given that we currently qualify and in the future will continue to qualify as a REIT. Such qualification involves the application of highly technical and complex Internal Revenue Code provisions for which there are only limited judicial or administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify. In addition, no assurance can be given that legislation, new regulations, administrative interpretations or court decisions will not significantly change the tax laws with respect to qualification or its corresponding federal income tax consequences. Any such change could have a retroactive effect.

If in any taxable year we were to fail to qualify as a REIT, we would not be allowed a deduction for distributions to stockholders in computing our taxable income and we would be subject to federal income tax on our taxable income at regular corporate rates. Unless entitled to relief under certain statutory provisions, we also would be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost. As a result, the funds available for distribution to our stockholders would be reduced for each of the years involved. This would likely have a significant adverse effect on the value of our securities and our ability to raise additional capital. In addition, we would no longer be required to make distributions to our stockholders. We currently intend to operate in a manner designed to qualify as a REIT. However, it is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors, with the consent of a majority of our stockholders, to revoke the REIT election.

Any issuance or transfer of our capital stock to any person in excess of the applicable limits on ownership necessary to maintain our status as a REIT would be deemed void ab initio, and those shares would automatically be transferred to a non-affiliated charitable trust.

To maintain our status as a REIT under the Internal Revenue Code, not more than 50% in value of our outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) at any time during the last half of a taxable year. Our certificate of incorporation generally prohibits ownership of more than 6% of the outstanding shares of our capital stock by any single stockholder determined by vote, value or number of shares (other than Charles Lebovitz, Executive Chairman of our Board of Directors and our former Chief Executive Officer, David Jacobs, Richard Jacobs and their affiliates under the Internal Revenue Code's attribution rules). The affirmative vote of 66 2/3% of our outstanding voting stock is required to amend this provision.

Our Board of Directors may, subject to certain conditions, waive the applicable ownership limit upon receipt of a ruling from the IRS or an opinion of counsel to the effect that such ownership will not jeopardize our status as a REIT. Absent any such waiver, however, any issuance or transfer of our capital stock to any person in excess of the applicable ownership limit or any issuance or transfer of shares of such stock which would cause us to be beneficially owned by fewer than 100 persons, will be null and void and the intended transferee will acquire no rights to the stock. Instead, such issuance or transfer with respect to that number of shares that would be owned by the transferee in excess of the ownership limit provision would be deemed void ab initio and those shares would automatically be transferred to a trust for the exclusive benefit of a charitable beneficiary to be designated by us, with a trustee designated by us, but who would not be affiliated with us or with the prohibited owner. Any acquisition of our capital stock and continued holding or ownership of our capital stock constitutes, under our certificate of incorporation, a

continuous representation of compliance with the applicable ownership limit.



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In order to maintain our status as a REIT and avoid the imposition of certain additional taxes under the Internal Revenue Code, we must satisfy minimum requirements for distributions to shareholders, which may limit the amount of cash we might otherwise have been able to retain for use in growing our business.
To maintain our status as a REIT under the Internal Revenue Code, we generally will be required each year to distribute to our stockholders at least 90% of our taxable income after certain adjustments. However, to the extent that we do not distribute all of our net capital gains or distribute at least 90% but less than 100% of our REIT taxable income, as adjusted, we will be subject to tax on the undistributed amount at regular corporate tax rates, as the case may be. Also, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the payment of expenses and the recognition of income and expenses for federal income tax purposes, or the effect of nondeductible expenditures, such as capital expenditures, payments of compensation for which Section 162(m) of the Code denies a deduction, interest expense deductions limited by Section 163(j) of the Code, the creation of reserves or required debt service or amortization payments. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which certain distributions paid by us during each calendar year are less than the sum of 85% of our ordinary income for such calendar year, 95% of our capital gain net income for the calendar year and any amount of such income that was not distributed in prior years. In the case of property acquisitions, including our initial formation, where individual Properties are contributed to our Operating Partnership for Operating Partnership units, we have assumed the tax basis and depreciation schedules of the entities contributing Properties. The relatively low tax basis of such contributed Properties may have the effect of increasing the cash amounts we are required to distribute as dividends, thereby potentially limiting the amount of cash we might otherwise have been able to retain for use in growing our business. This low tax basis may also have the effect of reducing or eliminating the portion of distributions made by us that are treated as a non-taxable return of capital.
Complying with REIT requirements might cause us to forego otherwise attractive opportunities.
In order to qualify as a REIT for U.S. federal income tax purposes, we must satisfy tests concerning, among other things, our sources of income, the nature of our assets, the amounts we distribute to our shareholders and the ownership of our stock. We may also be required to make distributions to our shareholders at disadvantageous times or when we do not have funds readily available for distribution. Thus, compliance with REIT requirements may cause us to forego opportunities we would otherwise pursue. In addition, the REIT provisions of the Internal Revenue Code impose a 100% tax on income from “prohibited transactions.” “Prohibited transactions” generally include sales of assets that constitute inventory or other property held for sale in the ordinary course of business, other than foreclosure property. This 100% tax could impact our desire to sell assets and other investments at otherwise opportune times if we believe such sales could be considered “prohibited transactions.”
Partnership tax audit rules could have a material adverse effect on us.

The Bipartisan Budget Act of 2015 changes the rules applicable to U.S. federal income tax audits of partnerships. Under the rules, among other changes and subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner's distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto could be assessed and collected, at the partnership level. Absent available elections, it is possible that a partnership in which we directly or indirectly invest, could be required to pay additional taxes, interest and penalties as a result of an audit adjustment, and we, as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties even though we may not otherwise have been required to pay additional taxes had we owned the assets of the partnership directly. The partnership tax audit rules apply to the Operating Partnership and its subsidiaries that are classified as partnerships for U.S. federal income tax purposes. The changes created by these rules are sweeping and, accordingly, there can be no assurance that these rules will not have a material adverse effect on us.

Recent legislation substantially modified the taxation of REITs and their shareholders, and the effects of such legislation and related regulatory action are uncertain.

On December 22, 2017, President Trump signed into law H.R. 1, informally titled the Tax Cuts and Jobs Act (the "TCJA"). The TCJA makes major changes to the Internal Revenue Code of 1986, as amended (the "Code"), including a number of provisions of the Code that affect the taxation of REITs and their stockholders. Among the changes made by the TCJA are permanently reducing the generally applicable corporate tax rate, generally

reducing the tax rate applicable to individuals and other non-corporate taxpayers for tax years beginning after December 31, 2017 and before January 1, 2026, generally limiting the deduction for net business interest expense in excess of 30% of a business's adjusted taxable income except for taxpayers that engage in certain real estate businesses and elect out of this rule (provided that such electing taxpayers must use an alternative depreciation system for certain property), eliminating or modifying certain previously allowed deductions (including substantially limiting interest deductibility and, for individuals, the deduction for non-business state and local taxes), and, for taxable years beginning after December 31, 2017 and before January 1, 2026, providing for preferential rates of taxation through a deduction of up to 20% (subject to certain limitations) on most ordinary REIT dividends and certain trade or business income of non-corporate taxpayers. The TCJA also imposes new limitations on the deduction of net operating losses and requires us to recognize income for tax purposes no later than when we take it into account on our financial statements, which may result in us having to make additional taxable distributions to our stockholders in order to comply with REIT distribution requirements or avoid taxes on retained income and gains. The effect of the significant changes made by the TCJA is highly uncertain, and administrative guidance will be required in order to fully evaluate the effect of many provisions. The effect of any technical corrections with respect to the TCJA could have an adverse effect on us or our stockholders. Investors should consult their tax advisors regarding the implications of the TCJA on their investment in our capital stock.

In recent years, numerous legislative, judicial and administrative changes have been made to the U.S. federal income tax laws applicable to investments similar to an investment in our stock. Additional changes to tax laws are likely to continue in the future, and we cannot assure you that any such changes will not adversely affect the taxation of us or our stockholders. Any such changes could have an adverse effect on an investment in our stock or on the market value or the resale potential of our properties.

RISKS RELATED TO OUR ORGANIZATIONAL STRUCTURE

The ownership limit described above, as well as certain provisions in our amended and restated certificate of incorporation, amended and restated bylaws, and certain provisions of Delaware law, may hinder any attempt to acquire us.

There are certain provisions of Delaware law, our amended and restated certificate of incorporation, our Third Amended and Restated Bylaws (the "Bylaws"), and other agreements to which we are a party that may have the effect of delaying, deferring or preventing a third party from making an acquisition proposal for us. These provisions may also inhibit a change in control that some, or a majority, of our stockholders might believe to be in their best interest or that could give our stockholders the opportunity to realize a premium over the then-prevailing market prices for their shares. These provisions and agreements are summarized as follows:

- The Ownership Limit – As described above, to maintain our status as a REIT under the Internal Revenue Code, not more than 50% in value of our outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of a taxable year. Our amended and restated certificate of incorporation generally prohibits ownership of more than 6% of the outstanding shares of our capital stock by any single stockholder determined by value (other than Charles Lebovitz, David Jacobs, Richard Jacobs and their affiliates under the Internal Revenue Code's attribution rules). In addition to preserving our status as a REIT, the ownership limit may have the effect of precluding an acquisition of control of us without the approval of our Board of Directors.
- Supermajority Vote Required for Removal of Directors - Historically, our governing documents have provided that stockholders can only remove directors for cause and only by a vote of 75% of the outstanding voting stock. In light of a ruling by the Delaware Court of Chancery in a proceeding not involving the Company, our Board of Directors approved an amendment to our Bylaws to delete the “for cause” limitation on removal of the Company’s directors, and, based on our Board of Directors' recommendation, our shareholders approved a similar amendment to our Amended and Restated Certificate of Incorporation at the Company’s 2016 annual meeting. As a result of such actions, shareholders will be able to remove directors with or without cause, but only by a vote of 75% of the outstanding voting stock. This provision makes it more difficult to change the composition of our Board of Directors and may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to

negotiate with our Board of Directors rather than pursue non-negotiated takeover attempts.

- Advance Notice Requirements for Stockholder Proposals – Our Bylaws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures generally require advance written notice of any such proposals, containing prescribed information, to be given to our Secretary at our principal executive offices not less than 90 days nor more than 120 days prior to the anniversary date of the prior year's annual meeting. Alternatively, a stockholder (or group of stockholders) seeking to nominate candidates for election as directors pursuant to the proxy access provisions set forth in Section 2.8 of our Bylaws generally must provide advance written notice to our Secretary, containing information prescribed in the proxy access bylaw, not less than 120 days nor more than 150 days prior to the anniversary date of the prior year's annual meeting.
- Vote Required to Amend Bylaws – A vote of 66 2/3% of our outstanding voting stock (in addition to any separate approval that may be required by the holders of any particular class of stock) is necessary for stockholders to amend our Bylaws.
- Delaware Anti-Takeover Statute – We are a Delaware corporation and are subject to Section 203 of the Delaware General Corporation Law. In general, Section 203 prevents an "interested stockholder" (defined generally as a person owning 15% or more of a company's outstanding voting stock) from engaging in a "business combination" (as defined in Section 203) with us for three years following the date that person becomes an interested stockholder unless:

(a) before that person became an interested holder, our Board of Directors approved the transaction in which the interested holder became an interested stockholder or approved the business combination;

(b) upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owns 85% of our voting stock outstanding at the time the transaction commenced (excluding stock held by directors who are also officers and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or

(c) following the transaction in which that person became an interested stockholder, the business combination is approved by our Board of Directors and authorized at a meeting of stockholders by the affirmative vote of the holders of at least two-thirds of our outstanding voting stock not owned by the interested stockholder. Under Section 203, these restrictions also do not apply to certain business combinations proposed by an interested stockholder following the announcement or notification of certain extraordinary transactions involving us and a person who was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of our directors, if that extraordinary transaction is approved or not opposed by a majority of the directors who were directors before any person became an interested stockholder in the previous three years or who were recommended for election or elected to succeed such directors by a majority of directors then in office.

Certain ownership interests held by members of our senior management may tend to create conflicts of interest between such individuals and the interests of the Company and our Operating Partnership.

- Tax Consequences of the Sale or Refinancing of Certain Properties – Since certain of our Properties had unrealized gain attributable to the difference between the fair market value and adjusted tax basis in such Properties immediately prior to their contribution to the Operating Partnership, a taxable sale of any such Properties, or a significant reduction in the debt encumbering such Properties, could cause adverse tax consequences to the members of our senior management who owned interests in our predecessor entities. As a result, members of our senior management might not favor a sale of a Property or a significant reduction in debt even though such a sale or reduction could be beneficial to us and the Operating Partnership. Our Bylaws provide that any decision relating to the potential sale of any Property that would result in a disproportionately higher taxable income for members of our senior management than for us and our stockholders, or that would result in a significant reduction in such Property's debt, must be made by a majority of the independent directors of the Board of Directors. The Operating Partnership is required, in the case of such a sale, to distribute to its partners, at a minimum, all of the net cash proceeds from such sale up to an amount reasonably believed necessary to enable members of our senior management to pay any income tax liability arising from such sale.

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- Interests in Other Entities; Policies of the Board of Directors – Certain Property tenants are affiliated with members of our senior management. Our Bylaws provide that any contract or transaction between us or the Operating Partnership and one or more of our directors or officers, or between us or the Operating Partnership and any other entity in which one or more of our directors or officers are directors or officers or have a financial interest, must be approved by our disinterested directors or stockholders after the material facts of the relationship or interest of the contract or transaction are disclosed or are known to them. Our code of business conduct and ethics also contains provisions governing the approval of certain transactions involving the Company and employees (or immediate family members of employees, as defined therein) that are not subject to the provision of the Bylaws described above. Such transactions are also subject to the Company's related party transactions policy in the manner and to the extent detailed in the proxy statement filed with the SEC for the Company's 2018 annual meeting. Nevertheless, these affiliations could create conflicts between the interests of these members of senior management and the interests of the Company, our shareholders and the Operating Partnership in relation to any transactions between us and any of these entities.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Refer to Management's Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 for additional information pertaining to the Properties' performance.

Malls

We owned a controlling interest in 59 Malls and non-controlling interests in 8 Malls as of December 31, 2018.  The Malls are primarily located in middle markets and generally have strong competitive positions because they are the only, or the dominant, regional mall in their respective trade areas. The Malls are generally anchored by two or more anchors or junior anchors and a wide variety of mall stores. Anchor and junior anchor tenants own or lease their stores and non-anchor stores lease their locations.

We classify our regional Malls into three categories:

(1) Stabilized Malls - Malls that have completed their initial lease-up and have been open for more than three complete calendar years.

(2) Non-stabilized Malls - Malls that are in their initial lease-up phase. After three complete calendar years of operation, they are reclassified on January 1 of the fourth calendar year to the Stabilized Mall category. The Outlet Shoppes at Laredo was classified as a Non-stabilized Mall as of December 31, 2018. The Outlet Shoppes of the Bluegrass and The Outlet Shoppes at Laredo were classified as Non-stabilized Malls as of December 31, 2017.

(3) Excluded Malls - We exclude Malls from our core portfolio if they fall in the following categories, for which operational metrics are excluded:

a. Lender Malls - Properties for which we are working or intend to work with the lender on a restructure of the terms of the loan secured by the Property or convey the secured Property to the lender. Acadiana Mall, Cary Towne Center and Triangle Town Center were classified as Lender Malls as of December 31, 2018. In January 2019, Acadiana Mall was returned to the lender and Cary Towne Center was sold. Acadiana Mall was also classified as a Lender Mall as of December 31, 2017. Lender Malls are excluded from our same-center pool as decisions made while in discussions with the lender may lead to metrics that do not provide relevant information related to the condition of these Properties or they may be under cash management agreements with the respective servicers.

b. Repositioning Malls - Malls that are currently being repositioned or where we have determined that the current format of the Property no longer represents the best use of the Property and we are in the process of evaluating alternative strategies for the Property. This may include major redevelopment or an alternative retail or non-retail format, or after evaluating alternative strategies for the Property, we may determine that the Property no longer meets our criteria for long-term investment. The steps taken to reposition these Properties, such as signing tenants to short-term leases, which are not

included in occupancy percentages, or leasing to regional or local tenants, which typically do not report sales, may lead to metrics which do not provide relevant information related to the condition of these Properties. Therefore, traditional performance measures, such as occupancy percentages and leasing metrics, exclude Repositioning Malls. Hickory Point Mall was classified as a Repositioning Mall as of December 31, 2018 and December 31, 2017. Cary Towne Center was classified as a Repositioning Mall as of December 31, 2017 until its reclassification as a Lender Mall in 2018.

c. Minority Interest Malls - Malls in which we have a 25% or less ownership interest. Triangle Town Center was classified in the Minority Interest Mall category as of December 31, 2017 until its reclassification as a Lender Mall in 2018. See Note 6 to the consolidated financial statements for more information on this unconsolidated affiliate.

We own the land underlying each Mall in fee simple interest, except for Brookfield Square, Cross Creek Mall, Dakota Square Mall, EastGate Mall, Meridian Mall, St. Clair Square, Stroud Mall and WestGate Mall. We lease all or a portion of the land at each of these Malls subject to long-term ground leases.

The following table sets forth certain information for each of the Malls as of December 31, 2018 (dollars in thousands except for sales per square foot amounts):

| Mall / Location | Year of Opening/ Acquisition | Year of Most Recent Expansion | Our Ownership | Total Center SF (1) | Total Mall Store GLA(2) | Mall Store Sales per Square Foot (3) | Percentage Mall Store GLA Leased (4) | Anchors & Junior Anchors (5) |
|---|---|---|---|---|---|---|---|---|
| TIER 1 | | | | | | | | |
| Sales ≥ $375 or more per square foot | | | | | | | | |
| Coastal Grand (6) Myrtle Beach, SC | 2004 | 2007 | 50% | 1,036,848 | 341,149 | $ 376 | 96% | Bed Bath & Beyond, Belk, Cinemark, Dick's Sporting Goods, Dillard's, H&M, JC Penney, Sears |
| CoolSprings Galleria (6) Nashville, TN | 1991 | 2015 | 50% | 1,165,821 | 430,475 | 612 | 98% | Belk Men's & Kid's, Belk Women's & Home, Dillard's, H&M, JC Penney, King's Dining & Entertainment, Macy's |
| Cross Creek Mall Fayetteville, NC | 1975/2003 | 2013 | 100% | 983,695 | 279,560 | 497 | 95% | Belk, H&M, JC Penney, Macy's, Sears |
| Fayette Mall Lexington, KY | 1971/2001 | 2014 | 100% | 1,158,185 | 459,908 | 553 | 91% | Dick's Sporting Goods, Dillard's, H&M, JC Penney, Macy's |
| Friendly Center and The Shops at Friendly (6) Greensboro, NC | 1957/ 2006/ 2007 | 2016 | 50% | 1,367,451 | 603,310 | 500 | 95% | Barnes & Noble, BB&T, Belk, Belk Home Store, The Grande Cinemas, Harris Teeter, Macy's, O2 Fitness (7), REI, Sears, Whole Foods |
| Hamilton Place | 1987 | 2016 | 90% | 1,160,815 | 331,193 | 406 | 96% | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Chattanooga, TN | | | | | | | | Barnes & Noble, Belk for Men, Kids & Home, Belk for Women, Dillard's for Men, Kids & Home, Dillard's for Women, Forever 21, H&M, JC Penney, Sears [8] |
| Hanes Mall Winston-Salem, NC | 1975/2001 | 1990 | 100% | 1,435,259 | 468,557 | 380 | 97% | Belk, Dave & Buster's [9], Dillard's, Encore, H&M, JC Penney, Macy's, Sears |

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| Mall / Location | Year of Opening/ Acquisition | Year of Most Recent Expansion | Our Ownership | Total Center SF (1) | Total Mall Store GLA(2) | Mall Store Sales per Square Foot (3) | Percentage Mall Store GLA Leased (4) | Anchors & Junior Anchors (5) |
|---|---|---|---|---|---|---|---|---|
| Jefferson Mall Louisville, KY | 1978/2001 | 1999 | 100% | 783,639 | 225,078 | 382 | 95% | Dillard's, H&M, JC Penney, Round1 Bowling & Amusement, Ross Dress for Less, Sears |
| Mall del Norte Laredo, TX | 1977/2004 | 1993 | 100% | 1,199,361 | 388,478 | 450 | 94% | Beall's, Cinemark, Dillard's, Forever 21, H&M, House of Hoops by Foot Locker, JC Penney, Macy's, Macy's Home Store, Sears, TruFit Athletic Club (10) |
| Northwoods Mall North Charleston, SC | 1972/2001 | 1995 | 100% | 748,159 | 255,911 | 402 | 93% | Belk, Books-A-Million, Burlington, Dillard's, JC Penney, Planet Fitness, former Sears |
| Oak Park Mall (6) Overland Park, KS | 1974/2005 | 1998 | 50% | 1,518,197 | 431,027 | 462 | 94% | Barnes & Noble, Dillard's for Women, Dillard's for Men, Children & Home, Forever 21, H&M, JC Penney, Macy's, Nordstrom |
| The Outlet Shoppes at Atlanta Woodstock, GA | 2013 | 2015 | 75% | 404,906 | 380,099 | 436 | 93% | Saks Fifth Ave OFF 5TH |
| The Outlet Shoppes at El Paso El Paso, TX | 2007/2012 | 2014 | 75% | 433,046 | 411,007 | 434 | 99% | H&M |
| The Outlet Shoppes of the Bluegrass | 2014 | 2015 | 65% | 428,072 | 381,372 | 427 | 97% | H&M, Saks Fifth Ave OFF 5TH |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Simpsonville, KY | | | | | | | | |
| Richland Mall Waco, TX | 1980/2002 | 1996 | 100% | 693,450 | 191,872 | 378 | 99% | Beall's, Dick's Sporting Goods, Dillard's for Men, Kids & Home, Dillard's for Women, JC Penney, Sears |
| Southpark Mall Colonial Heights, VA | 1989/2003 | 2007 | 100% | 672,941 | 229,681 | 387 | 90% | Dick's Sporting Goods, JC Penney, Macy's, Regal Cinemas, former Sears |
| Sunrise Mall Brownsville, TX | 1979/2003 | 2015 | 100% | 802,906 | 238,149 | 419 | 98% | A'GACI, Beall's, Cinemark, Dick's Sporting Goods, Dillard's, JC Penney, Sears |
| West County Center (6) Des Peres, MO | 1969/2007 | 2002 | 50% | 1,196,796 | 382,846 | 536 | 98% | Barnes & Noble, Dick's Sporting Goods, Forever 21, H&M, JC Penney, Macy's, Nordstrom |
| Total Tier 1 Malls | | | | 17,189,547 | 6,429,672 | $ 458 | 96% | |
| TIER 2 Sales ≥ $300 to < $375 per square foot | | | | | | | | |
| Arbor Place Atlanta (Douglasville), GA | 1999 | N/A | 100% | 1,161,932 | 307,502 | $ 359 | 99% | Bed Bath & Beyond, Belk, Dillard's, Forever 21, H&M, JC Penney, Macy's, Regal Cinemas, Sears |

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| Mall / Location | Year of Opening/ Acquisition | Year of Most Recent Expansion | Our Ownership | Total Center SF [(1)] | Total Mall Store GLA[(2)] | Mall Store Sales per Square Foot [(3)] | Percentage Mall Store GLA Leased [(4)] | Anchors & Junior Anchors [(5)] |
|---|---|---|---|---|---|---|---|---|
| Asheville Mall Asheville, NC | 1972/1998 | 2000 | 100% | 973,344 | 265,440 | 371 | 91% | Barnes & Noble, Belk, Dillard's for Men, Children & Home, Dillard's for Women, H&M, JC Penney, former Sears |
| Dakota Square Mall Minot, ND | 1980/2012 | 2016 | 100% | 764,671 | 183,638 | 312 | 93% | AMC Theatres, Barnes & Noble, former Herberger's, JC Penney, Scheels, former Sears, Sleep Inn & Suites - Splashdown Dakota Super Slides, Target |
| East Towne Mall Madison, WI | 1971/2001 | 2004 | 100% | 801,248 | 211,959 | 329 | 91% | Barnes & Noble, former Boston Store, Dick's Sporting Goods, Flix Brewhouse, Gordmans, H&M, JC Penney, Sears |
| EastGate Mall [(11)] Cincinnati, OH | 1980/2003 | 1995 | 100% | 837,550 | 256,947 | 330 | 87% | Dillard's Clearance, JC Penney, Kohl's, Sears |
| Frontier Mall Cheyenne, WY | 1981 | 1997 | 100% | 519,271 | 199,151 | 327 | 93% | AMC Theatres, Dillard's for Women, Dillard's for Men, Kids & Home, JC Penney, former Sears |
| Governor's Square [(6)] Clarksville, TN | 1986 | 1999 | 47.5% | 689,563 | 242,681 | 343 | 90% | AMC Theatres, Belk, Dick's Sporting Goods, Dillard's, JC Penney, Ross Dress for Less, Sears |
| Greenbrier Mall Chesapeake, VA | 1981/2004 | 2004 | 100% | 897,037 | 269,795 | 342 | 90% | Dillard's, GameWorks, H&M, JC Penney, Macy's, former Sears |
| Harford Mall Bel Air, MD | 1973/2003 | 2007 | 100% | 505,559 | 181,383 | 342 | 93% | Encore, Macy's, Sears |
| Imperial Valley Mall El Centro, CA | 2005 | N/A | 100% | 761,958 | 213,318 | 374 | 91% | Cinemark, Dillard's, JC Penney, Macy's, Sears |
| Kirkwood Mall Bismarck, ND | 1970/2012 | 2017 | 100% | 815,442 | 211,578 | 306 | 94% | H&M, former Herberger's, Keating Furniture, JC Penney, Scheels, Target |
| | 1989/2005 | 1994 | 100% | 496,877 | 198,067 | 306 | 95% | former Carson's, Von Maur |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Laurel Park Place<br>Livonia, MI | | | | | | | | |
| Layton Hills Mall<br>Layton, UT | 1980/2006 | 1998 | 100% | 482,156 | 212,710 | 358 | 98% | Dick's Sporting Goods, Dillard's, JC Penney |
| Mayfaire Town Center<br>Wilmington, NC | 2004/2015 | 2017 | 100% | 657,339 | 337,958 | 346 | 93% | Barnes & Noble, Belk, Flip N Fly, The Fresh Market, H&M, Michaels, Regal Cinemas |
| Northgate Mall<br>Chattanooga, TN | 1972/2011 | 2014 | 100% | 666,783 | 187,150 | 304 | 86% | Belk, Burlington, former JC Penney, Sears |

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| Mall / Location | Year of Opening/ Acquisition | Year of Most Recent Expansion | Our Ownership | Total Center SF [1] | Total Mall Store GLA[2] | Mall Store Sales per Square Foot [3] | Percentage Mall Store GLA Leased [4] | Anchors & Junior Anchors [5] |
|---|---|---|---|---|---|---|---|---|
| Northpark Mall Joplin, MO | 1972/2004 | 1996 | 100% | 892,426 | 274,702 | 324 | 86% | Dunham's Sports, H&M, JC Penney, Jo-Ann Fabrics & Crafts, Macy's Children's & Home, Macy's Women & Men's, Sears, Tilt, T.J. Maxx, Vintage Stock |
| Old Hickory Mall Jackson, TN | 1967/2001 | 1994 | 100% | 538,934 | 161,839 | 356 | 76% | Belk, JC Penney, Macy's, Sears |
| The Outlet Shoppes at Laredo Laredo, TX | 2017 | N/A | 65% | 358,122 | 315,375 | N/A * | 77% | H&M, Nike Factory Store |
| Park Plaza Little Rock, AR | 1988/2004 | N/A | 100% | 539,936 | 206,791 | 319 | 95% | Dillard's for Men & Children, Dillard's for Women & Home, Forever 21, H&M |
| Parkdale Mall Beaumont, TX | 1972/2001 | 2018 | 100% | 1,087,380 | 318,641 | 360 | 87% | former Ashley HomeStore, Beall's, former Brightwood College, Dick's Sporting Goods [12], Dillard's, Forever 21, H&M, HomeGoods [12], JC Penney, Sears, 2nd & Charles, Tilt Studio |
| Parkway Place Huntsville, AL | 1957/1998 | 2002 | 100% | 647,802 | 278,624 | 366 | 93% | Belk, Dillard's |
| Pearland Town Center [13] Pearland, TX | 2008 | N/A | 100% | 663,773 | 306,186 | 347 | 93% | Barnes & Noble, Dick's Sporting Goods, Dillard's, Macy's |
| Post Oak Mall College Station, TX | 1982 | 1985 | 100% | 788,105 | 300,580 | 355 | 89% | Beall's, Dillard's Men & Home, Dillard's Women & Children, Encore, JC Penney, Macy's, former Sears |
| South County Center | 1963/2007 | 2001 | 100% | 1,028,473 | 316,250 | 338 | 85% | Dick's Sporting Goods, Dillard's, JC Penney, Macy's, former Sears |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| St. Louis, MO | | | | | | | | |
| Southaven Towne Center Southaven, MS | 2005 | 2013 | 100% | 607,550 | 184,427 | 308 | 85% | Bed Bath & Beyond, Dillard's, Gordmans, JC Penney, Sportsman's Warehouse, Urban Air Adventure Park [14] |
| St. Clair Square [15] Fairview Heights, IL | 1974/1996 | 1993 | 100% | 1,068,998 | 291,743 | 372 | 95% | Dillard's, JC Penney, Macy's, Sears |
| Turtle Creek Mall Hattiesburg, MS | 1994 | 1995 | 100% | 845,571 | 192,184 | 341 | 90% | At Home, Belk, Dillard's, JC Penney, former Sears, Southwest Theaters, Stein Mart |
| Valley View Mall Roanoke, VA | 1985/2003 | 2007 | 100% | 863,443 | 336,683 | 361 | 100% | Barnes & Noble, Belk, JC Penney, Macy's, Macy's for Home & Children, Sears |

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| Mall / Location | Year of Opening/ Acquisition | Year of Most Recent Expansion | Our Ownership | Total Center SF [(1)] | Total Mall Store GLA[(2)] | Mall Store Sales per Square Foot [(3)] | Percentage Mall Store GLA Leased [(4)] | Anchors & Junior Anchors [(5)] |
|---|---|---|---|---|---|---|---|---|
| Volusia Mall Daytona Beach, FL | 1974/2004 | 2013 | 100% | 1,045,835 | 239,059 | 341 | 91% | Dillard's for Men & Home, Dillard's for Women, Dillard's for Juniors & Children, H&M, JC Penney, Macy's, Sears |
| West Towne Mall Madison, WI | 1970/2001 | 2013 | 100% | 829,635 | 281,684 | 368 | 92% | former Boston Store, Dave & Buster's, Dick's Sporting Goods, Forever 21, JC Penney, former Sears, Total Wine & More |
| WestGate Mall [(16)] Spartanburg, SC | 1975/1995 | 1996 | 100% | 950,777 | 241,018 | 339 | 82% | Bed Bath & Beyond, Belk, Dick's Sporting Goods, Dillard's, H&M, JC Penney, Regal Cinemas, former Sears |
| Westmoreland Mall Greensburg, PA | 1977/2002 | 1994 | 100% | 973,421 | 313,442 | 313 | 91% | H&M, JC Penney, Macy's, Macy's Home Store, Old Navy, Sears, Stadium Live! Casino [(17)] |
| York Galleria York, PA | 1989/1999 | N/A | 100% | 748,868 | 225,854 | 339 | 86% | former Bon-Ton, Boscov's, Gold's Gym, H&M, Marshalls, former Sears |
| Total Tier 2 Malls | | | | 25,509,779 | 8,264,359 | $ 344 | 90% | |
| TIER 3 Sales < $300 per square foot | | | | | | | | |
| Alamance Crossing Burlington, NC | 2007 | 2011 | 100% | 904,704 | 255,174 | $ 264 | 74% | Barnes & Noble, Belk, BJ's Wholesale Club, Carousel Cinemas, Dick's Sporting Goods, Dillard's, Hobby Lobby, JC Penney, |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Kohl's |
| Brookfield Square[18] Brookfield, WI | 1967/2001 | 2008 | 100% | 860,192 | 300,599 | 280 | 92% | Barnes & Noble, former Boston Store, H&M, JC Penney, Marcus BistroPlex [19], Whirlyball [19] |
| Burnsville Center Burnsville, MN | 1977/1998 | N/A | 100% | 1,045,836 | 390,031 | 292 | 82% | Dick's Sporting Goods, Gordmans, H&M, JC Penney, Macy's, former Sears |
| CherryVale Mall Rockford, IL | 1973/2001 | 2007 | 100% | 844,383 | 329,798 | 298 | 97% | Barnes & Noble, Choice Home Center, JC Penney, Macy's, Sears |
| Eastland Mall Bloomington, IL | 1967/2005 | N/A | 100% | 732,647 | 247,505 | 258 | 93% | former Bergner's, Kohl's, former Macy's, Planet Fitness, former Sears |
| Honey Creek Mall Terre Haute, IN | 1968/2004 | 1981 | 100% | 679,578 | 188,711 | 299 | 83% | Encore, JC Penney, former Macy's, Sears, Vendors' Village |

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| Mall / Location | Year of Opening/ Acquisition | Year of Most Recent Expansion | Our Ownership | Total Center SF [1] | Total Mall Store GLA[2] | Mall Store Sales per Square Foot [3] | Percentage Mall Store GLA Leased [4] | Anchors & Junior Anchors [5] |
|---|---|---|---|---|---|---|---|---|
| Kentucky Oaks Mall [6] Paducah, KY | 1982/2001 | 1995 | 50% | 719,419 | 242,233 | 236 | 79% | Best Buy, Burlington [20], Dick's Sporting Goods, Dillard's, Dillard's Home Store, former Elder-Beerman, HomeGoods [21], JC Penney, Ross Dress for Less [20], former Sears, Vertical Jump Park |
| Meridian Mall [22] Lansing, MI | 1969/1998 | 2001 | 100% | 943,762 | 290,851 | 298 | 92% | Bed Bath & Beyond, Dick's Sporting Goods, H&M, JC Penney, Launch Trampoline Park [23], Macy's, Planet Fitness, Schuler Books & Music, former Younkers for Her, former Younkers Men, Kids & Home |
| Mid Rivers Mall St. Peters, MO | 1987/2007 | 2015 | 100% | 1,034,302 | 286,685 | 285 | 91% | Dick's Sporting Goods, Dillard's, H&M, JC Penney, Macy's, Marcus Theatres, Sears, V-Stock |
| Monroeville Mall Pittsburgh, PA | 1969/2004 | 2014 | 100% | 983,997 | 445,500 | 265 | 91% | Barnes & Noble, Cinemark, Dick's Sporting Goods, Forever 21, H&M, JC Penney, Macy's |
| The Outlet Shoppes at Gettysburg Gettysburg, PA | 2000/2012 | N/A | 50% | 249,937 | 249,937 | 252 | 91% | None |
| Stroud Mall [24] | 1977/1998 | 2005 | 100% | 414,565 | 130,082 | 261 | 93% | Cinemark, JC Penney, Sears, |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Stroudsburg, PA | | | | | | | | ShopRite [25] |
| Total Tier 3 Malls | | | | 9,413,322 | 3,357,106 | $ 276 | 88% | |
| Total Mall Portfolio | | | | 52,112,648 | 18,051,137 | $ 377 | 92% | |
| Excluded Malls [26] | | | | | | | | |
| Lender Malls: | | | | | | | | |
| Acadiana Mall [27] Lafayette, LA | 1979/2005 | 2004 | 100% | 991,339 | 299,076 | N/A | N/A | Dillard's, JC Penney, Macy's, former Sears |
| Cary Towne Center [28] Cary, NC | 1979/2001 | 1993 | 100% | 897,448 | 262,108 | N/A | N/A | Belk, Dave & Buster's, Dillard's, JC Penney, former Macy's, former Sears |
| Triangle Town Center [6] Raleigh, NC | 2002/2005 | N/A | 10% | 1,255,263 | 429,174 | N/A | N/A | Barnes & Noble, Belk, Dillard's, Macy's, Sak's Fifth Avenue, Sears |
| Total Lender Malls | | | | 3,144,050 | 990,358 | | | |

| Mall / Location | Year of Opening/ Acquisition | Year of Most Recent Expansion | Our Ownership | Total Center SF (1) | Total Mall Store GLA(2) | Mall Store Sales per Square Foot (3) | Percentage Mall Store GLA Leased (4) | Anchors & Junior Anchors (5) |
|---|---|---|---|---|---|---|---|---|
| Repositioning Mall: | | | | | | | | |
| Hickory Point Mall Forsyth, IL | 1977/2005 | N/A | 100% | 735,848 | 169,533 | N/A | N/A | former Bergner's, Encore, Hobby Lobby, former JC Penney, Kohl's, Ross Dress for Less, former Sears, T.J. Maxx, Von Maur |
| Total Excluded Malls | | | | 3,879,898 | 1,159,891 | | | |

* Non-stabilized Mall - Mall Store Sales per Square Foot metrics are excluded from Mall Store Sales per Square Foot totals by tier and Mall portfolio totals. The Outlet Shoppes at Laredo is a non-stabilized Mall.

(1) Total center square footage includes square footage of attached shops, immediately adjacent Anchor and Junior Anchor locations and leased immediately adjacent freestanding locations immediately adjacent to the center.
(2) Excludes tenants 20,000 square feet and over.
(3) Totals represent weighted averages.
(4) Includes all leased Anchors, Junior Anchors and tenants with leases in effect as of December 31, 2018.
(5) Anchors and Junior Anchors listed are immediately adjacent to the Malls or are in freestanding locations immediately adjacent to the Malls.
(6) This Property is owned in an unconsolidated joint venture.
(7) Friendly Center - O2 Fitness is scheduled to open in 2019.
(8) Hamilton Place - Sears closed in 2019 and redevelopment plans for this space include Dave & Buster's, Dick's Sporting Goods, a hotel and offices. Construction is expected to begin in Spring 2019.
(9) Hanes Mall - Dave & Buster's is scheduled to open in 2019.
(10) Mall del Norte - TruFit Athletic Club is scheduled to open in 2019 in the former Joe Brand space.
(11) EastGate Mall - Ground rent for the Dillard's parcel that extends through January 2022 is $24 per year.
(12) Parkdale Mall - Dick's Sporting Goods, Five Below and HomeGoods are scheduled to open in 2019 in the former Macy's space and a portion of the former Ashley HomeStore.
(13) Pearland Town Center is a mixed-use center which combines retail, hotel, office and residential components. For segment reporting purposes, the retail portion of the center is classified in Malls and the office portion, hotel and residential portions are classified as All Other.
(14) Southaven Towne Center - Urban Air Adventure Park has an executed lease and is under construction to fill the former HH Gregg space.
(15) St. Clair Square - We are the lessee under a ground lease for 20 acres. Assuming the exercise of available renewal options, at our election, the ground lease expires January 31, 2073. The rental amount is $41 per year. In addition to base rent, the landlord receives 0.25% of Dillard's sales in excess of $16,200.
(16) WestGate Mall - We are the lessee under several ground leases for approximately 53% of the underlying land. Assuming the exercise of renewal options available, at our election, the ground lease expires October 2044. The rental amount is $130 per year. In addition to base rent, the landlord receives 20% of the percentage rents collected. We have a right of first refusal to purchase the fee.
(17) Westmoreland Mall - Construction for a new Stadium Live! Casino is expected to begin in 2019 in the former Bon-Ton space with the opening scheduled for 2020.
(18) Brookfield Square - The annual ground rent for 2018 was $191.
(19) Brookfield Square - Whirlyball and Marcus BistroPlex are scheduled to open in 2019 in the former Sears space.
(20)

Kentucky Oaks Mall - Burlington, Ross Dress for Less and other stores are scheduled to open in 2019 in the former Sears space.

(21) Kentucky Oaks Mall - HomeGoods is scheduled to open in 2019 in the former Elder Beerman space.

(22) Meridian Mall - We are the lessee under several ground leases in effect through March 2067, with extension options. Fixed rent is $19 per year plus 3% to 4% of all rent.

(23) Meridian Mall - Launch Trampoline Park is scheduled to open in 2019 in the former Gordmans space.

(24) Stroud Mall - We are the lessee under a ground lease, which extends through July 2089. The current rental amount is $70 per year, increasing by $10 every ten years through 2045. An additional $100 is paid every ten years.

(25) Stroud Mall - ShopRite is scheduled to open in 2019 in the former Bon-Ton space.

(26) Operational metrics are not reported for Excluded Malls.

(27) Acadiana Mall - Subsequent to December 31, 2018, the mall was transferred to the lender through a deed-in-lieu of foreclosure. See Note 7 and Note 20 to the consolidated financial statements for more information.

(28) Cary Towne Center - Subsequent to December 31, 2018, the mall was sold and the lender received the proceeds in satisfaction of the non-recourse loan which was secured by the mall. See Note 5, Note 7 and Note 20 to the consolidated financial statements for more information.

Mall Stores

The Malls have approximately 5,510 Mall stores. National and regional retail chains (excluding local franchises) lease approximately 71.1% of the occupied Mall store GLA. Although Mall stores occupy only 34.3% of the total Mall GLA (the remaining 65.7% is occupied by Anchors and Junior Anchors and a small percentage is vacant), the Malls received 84.3% of their total revenues from Mall stores for the year ended December 31, 2018.

Mall Lease Expirations

The following table summarizes the scheduled lease expirations for mall stores as of December 31, 2018:

| Year Ending December 31, | Number of Leases Expiring | Annualized Gross Rent [(1)] | GLA of Expiring Leases | Average Annualized Gross Rent Per Square Foot | Expiring Leases as % of Total Annualized Gross Rent [(2)] | Expiring Leases as a % of Total Leased GLA [(3)] |
|---|---|---|---|---|---|---|
| 2019 | 815 | $80,640,000 | 2,257,000 | $ 35.73 | 13.0% | 14.7% |
| 2020 | 737 | 84,550,000 | 2,443,000 | 34.61 | 13.6% | 15.9% |
| 2021 | 638 | 79,025,000 | 1,924,000 | 41.07 | 12.8% | 12.6% |
| 2022 | 528 | 75,771,000 | 1,829,000 | 41.43 | 12.3% | 12.0% |
| 2023 | 526 | 77,575,000 | 1,780,000 | 43.58 | 12.5% | 11.7% |
| 2024 | 403 | 60,925,000 | 1,510,000 | 40.35 | 9.9% | 9.9% |
| 2025 | 303 | 48,775,000 | 1,010,000 | 48.29 | 7.9% | 6.6% |
| 2026 | 274 | 47,307,000 | 1,078,000 | 43.88 | 7.7% | 7.1% |
| 2027 | 227 | 38,056,000 | 851,000 | 44.72 | 6.2% | 5.6% |
| 2028 | 155 | 25,650,000 | 595,000 | 43.11 | 4.1% | 3.9% |

(1) Total annualized gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2018 for expiring leases that were executed as of December 31, 2018.

(2) Total annualized gross rent, including recoverable CAM expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2018.

(3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2018.

See page 59 for a comparison between rents on leases that expired in the current reporting period compared to rents on new and renewal leases executed in 2018. For comparable spaces under 10,000-square-feet, we leased approximately 2.3 million square feet with stabilized mall leasing spreads averaging a decline of 10.8%, including declines on new leases of 1.7% and renewal spreads declining an average of 12.5%. While we anticipate negative renewal spreads in the near term, we are optimistic that the 2018 positive sales trends will lead to improved lease negotiations in the future. Page 59 includes new and renewal leasing activity as of December 31, 2018 with commencement dates in 2018 and 2019.

Mall Tenant Occupancy Costs

Occupancy cost is a tenant's total cost of occupying its space, divided by its sales. Mall store sales represent total sales amounts received from reporting tenants with space of less than 10,000 square feet.

The following table summarizes tenant occupancy costs as a percentage of total Mall store sales, excluding license agreements, for each of the past three years:

| | Year Ended December 31, [(1)] | | |
|---|---|---|---|
| | 2018 | 2017 | 2016 |
| Mall store sales (in millions) | $4,498 | $4,713 | $5,110 |
| Minimum rents | 8.45 % | 8.95 % | 8.64 % |
| Percentage rents | 0.50 % | 0.45 % | 0.45 % |
| Tenant reimbursements [(2)] [(3)] | 3.35 % | 3.74 % | 3.66 % |
| Mall tenant occupancy costs | 12.30 % | 13.14 % | 12.75 % |

(1) In certain cases, we own less than a 100% interest in the Malls. The information in this table is based on 100% of the applicable amounts and has not been adjusted for our ownership share.
(2) Represents reimbursements for real estate taxes, insurance, CAM charges, marketing and certain capital expenditures.
(3) In 2018, CAM charges related to tenants who own their own space were reclassified to Other revenues as part of the adoption of ASC 606.

Debt on Malls

Please see the table entitled "Mortgage Loans Outstanding at December 31, 2018" included herein for information regarding any liens or encumbrances related to our Malls.

Other Property Types

Other property types include the following three categories:

(1) Associated Centers - Retail properties that are adjacent to a regional mall complex and include one or more Anchors, or big box retailers along with smaller tenants. Anchor tenants typically include tenants such as T.J. Maxx, Target, Kohl's and Bed Bath & Beyond.  Associated Centers are managed by the staff at the Mall since it is adjacent to and usually benefits from the customers drawn to the Mall.
(2) Community Centers - Designed to attract local and regional area customers and are typically anchored by a combination of supermarkets, or value-priced stores that attract shoppers to each center's small shops. The tenants at our Community Centers typically offer necessities, value-oriented and convenience merchandise.
(3) Office Buildings and Other

See Note 1 to the consolidated financial statements for additional information on the number of consolidated and unconsolidated Properties in each of the above categories related to our other property types. The following tables set forth certain information for each of our other property types at December 31, 2018:

| Property / Location | Property Type | Year of Opening/ Most Recent Expansion | Company's Ownership | Total Center SF [(1)] | Total Leasable GLA [(2)] | Percentage GLA Occupied [(3)] | Anchors & Junior Anchors |
|---|---|---|---|---|---|---|---|
| 840 Greenbrier Circle Chesapeake, VA | Office | 1983 | 100% | 50,820 | 50,820 | 94% | None |
| 850 Greenbrier Circle Chesapeake, VA | Office | 1984 | 100% | 81,318 | 81,318 | 100% | None |
| Ambassador Town Center [(4)] Lafayette, LA | Community Center | 2016 | 65% | 419,296 | 265,323 | 99% | Costco [(5)], Dick's Sporting Goods, Marshalls, Nordstrom Rack |
| Annex at Monroeville Pittsburgh, PA | Associated Center | 1986 | 100% | 186,367 | 186,367 | 100% | Burlington, Steel City Indoor Karting |
| CBL Center [(6)] Chattanooga, TN | Office | 2001 | 92% | 131,006 | 131,006 | 100% | None |
| CBL Center II [(6)] Chattanooga, TN | Office | 2008 | 92% | 74,941 | 74,941 | 100% | None |
| | | 2005 | 50% | 37,234 | 37,234 | 100% | PetSmart |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Coastal Grand Crossing [4]<br>Myrtle Beach, SC | Associated Center | | | | | | |
| CoolSprings Crossing<br>Nashville, TN | Associated Center | 1992 | 100% | 366,471 | 78,830 | 99% | American Signature Furniture [5], Gabe's [7], JumpStreet [7], Target [5], former Toys R Us [7] |
| Courtyard at Hickory Hollow<br>Nashville, TN | Associated Center | 1979 | 100% | 68,468 | 68,468 | 100% | AMC Theatres |
| EastGate Mall - CubeSmart Self-Storage [4]<br>Cincinnati, OH | Other | 2018 | 50% | 93,501 | 70,126 | N/A [8] | None |

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| Property / Location | Property Type | Year of Opening/ Most Recent Expansion | Company's Ownership | Total Center SF [1] | Total Leasable GLA [2] | Percentage GLA Occupied [3] | Anchors & Junior Anchors |
|---|---|---|---|---|---|---|---|
| The Forum at Grandview Madison, MS | Community Center | 2010/2016 | 75% | 318,144 | 216,144 | 100% | Best Buy, Dick's Sporting Goods, HomeGoods, Malco Theatre [7], Michaels, Miskelly Furniture Warehouse [5], Stein Mart |
| Fremaux Town Center [4] Slidell, LA | Community Center | 2014/2015 | 65% | 603,839 | 475,839 | 98% | Best Buy, Dick's Sporting Goods, Dillard's [5], Kohl's, LA Fitness, Michaels, T.J. Maxx |
| Frontier Square Cheyenne, WY | Associated Center | 1985 | 100% | 186,605 | 16,527 | 100% | Ross Dress for Less [7], Target [5], T.J. Maxx [7] |
| Governor's Square Plaza [4] Clarksville, TN | Associated Center | 1985/1988 | 50% | 168,379 | 71,809 | 100% | Bed Bath & Beyond, Jo-Ann Fabrics & Crafts, Target [5] |
| Gunbarrel Pointe Chattanooga, TN | Associated Center | 2000 | 100% | 273,913 | 147,913 | 100% | Earthfare, Kohl's, Target [5] |
| Hamilton Corner Chattanooga, TN | Associated Center | 1990/2005 | 90% | 67,310 | 67,310 | 98% | None |
| Hamilton Crossing Chattanooga, TN | Associated Center | 1987/2005 | 92% | 191,945 | 98,832 | 100% | HomeGoods [7], Michaels [7], T.J. Maxx, former Toys R Us [5] |
| Hammock Landing [4] West Melbourne, FL | Community Center | 2009/2015 | 50% | 559,801 | 335,834 | 97% | Academy Sports + Outdoors, AMC Theatres, HomeGoods, Kohl's [5], Marshalls, Michaels, Ross Dress for Less, Target [5] |
| Harford Annex Bel Air, MD | Associated Center | 1973/2003 | 100% | 107,656 | 107,656 | 100% | Best Buy, Office Depot, PetSmart |
| The Landing at Arbor Place Atlanta (Douglasville), GA | Associated Center | 1999 | 100% | 162,960 | 113,719 | 87% | Ben's Furniture and Antiques, Ollie's Bargain Outlet, former Toys R Us [5] |
| Layton Hills Convenience Center Layton, UT | Associated Center | 1980 | 100% | 92,942 | 92,942 | 94% | Bed Bath & Beyond |
| Layton Hills Plaza Layton, UT | Associated Center | 1989 | 100% | 18,808 | 18,808 | 89% | None |
| Parkdale Crossing | Associated Center | 2002 | 100% | 88,064 | 88,064 | 100% | Barnes & Noble |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Beaumont, TX | | | | | | | |
| The Pavilion at Port Orange (4) Port Orange, FL | Community Center | 2010 | 50% | 398,031 | 398,031 | 96% | Belk, HomeGoods, Marshalls, Michaels, Regal Cinemas |
| Pearland Office Pearland, TX | Office | 2009 | 100% | 64,915 | 64,915 | 100% | None |
| The Plaza at Fayette Lexington, KY | Associated Center | 2006 | 100% | 215,745 | 215,745 | 90% | Cinemark, Gordmans |
| The Promenade D'Iberville, MS | Community Center | 2009/2014 | 85% | 615,998 | 399,038 | 99% | Ashley Furniture HomeStore, Bed Bath & Beyond, Best Buy, Dick's Sporting Goods, Kohl's (5), Marshalls, Michaels, Ross Dress for Less, Target (5) |
| The Shoppes at Eagle Point (4) Cookeville, TN | Community Center | 2018 | 50% | 230,328 | 230,328 | 89% | Academy Sports + Outdoors, Publix, Ross Dress for Less |
| The Shoppes at Hamilton Place Chattanooga, TN | Associated Center | 2003 | 92% | 128,211 | 128,211 | 97% | Bed Bath & Beyond, Marshalls, Ross Dress for Less |
| The Shoppes at St. Clair Square Fairview Heights, IL | Associated Center | 2007 | 100% | 84,383 | 84,383 | 100% | Barnes & Noble |

| Property / Location | Property Type | Year of Opening/ Most Recent Expansion | Company's Ownership | Total Center SF [(1)] | Total Leasable GLA [(2)] | Percentage GLA Occupied [(3)] | Anchors & Junior Anchors |
|---|---|---|---|---|---|---|---|
| Sunrise Commons Brownsville, TX | Associated Center | 2001 | 100% | 205,571 | 104,126 | 100% | Former Kmart [(7)], Marshalls, Ross Dress for Less |
| The Terrace Chattanooga, TN | Associated Center | 1997 | 92% | 158,175 | 158,175 | 95% | Academy Sports + Outdoors, Party City |
| West Towne Crossing Madison, WI | Associated Center | 1980 | 100% | 460,875 | 168,978 | 100% | Barnes & Noble, Best Buy, Kohl's [(5)], Metcalf's Markets [(5)], Nordstrom Rack, Office Max [(7)], Shopko [(5)], Stein Mart [(7)] |
| WestGate Crossing Spartanburg, SC | Associated Center | 1985/1999 | 100% | 158,262 | 158,262 | 99% | Big Air Trampoline Park, Hamricks, Jo-Ann Fabrics & Crafts |
| Westmoreland Crossing Greensburg, PA | Associated Center | 2002 | 100% | 281,293 | 281,293 | 97% | AMC Theatres, Dick's Sporting Goods, Levin Furniture, Michaels [(7)], T.J. Maxx [(7)] |
| York Town Center [(4)] York, PA | Associated Center | 2007 | 50% | 297,507 | 247,507 | 98% | Bed Bath & Beyond, Best Buy, Christmas Tree Shops, Dick's Sporting Goods [(5)], Ross Dress for Less, Staples |
| Total Other Property Types | | | | 7,649,082 | 5,534,822 | 97% | |

(1) Total center square footage includes square footage of attached shops, attached and immediately adjacent Anchors and Junior Anchors and leased immediately adjacent freestanding locations.
(2) All leasable square footage, including Anchors and Junior Anchors.
(3) Includes all leased Anchors, Junior Anchors and tenants with leases in effect as of December 31, 2018.
(4) This Property is owned in an unconsolidated joint venture.
(5) Owned by the tenant.
(6) We own a 92% interest in the CBL Center office buildings, with an aggregate square footage of approximately 205,000 square feet, where our corporate headquarters is located. As of December 31, 2018, we occupied 45.2% of the total square footage of the buildings.
(7) Owned by a third party.
(8) EastGate Mall - CubeSmart Self-Storage - Excluded from occupancy.

Other Property Types Lease Expirations

The following table summarizes the scheduled lease expirations for tenants in occupancy at Other Property Types as of December 31, 2018:

| Year Ending December 31, | Number of Leases | Annualized Gross Rent [(1)] | GLA of Expiring Leases | Average Annualized Gross Rent | Expiring Leases as % of Total | Expiring Leases as a % of Total |
|---|---|---|---|---|---|---|

| | Expiring | | | Per Square Foot | Annualized Gross Rent (2) | Leased GLA (3) |
|---|---|---|---|---|---|---|
| 2019 | 66 | $7,290,000 | 319,000 | $ 22.85 | 8.7% | 7.2% |
| 2020 | 103 | 14,893,000 | 858,000 | 17.36 | 17.8% | 19.3% |
| 2021 | 56 | 10,151,000 | 587,000 | 17.29 | 12.1% | 13.2% |
| 2022 | 49 | 10,437,000 | 635,000 | 16.44 | 12.5% | 14.3% |
| 2023 | 53 | 9,687,000 | 426,000 | 22.74 | 11.6% | 9.6% |
| 2024 | 38 | 7,527,000 | 429,000 | 17.55 | 9.0% | 9.6% |
| 2025 | 33 | 6,945,000 | 381,000 | 18.23 | 8.3% | 8.6% |
| 2026 | 43 | 7,577,000 | 316,000 | 23.98 | 9.1% | 7.1% |
| 2027 | 23 | 5,069,000 | 200,000 | 25.35 | 6.1% | 4.5% |
| 2028 | 22 | 4,123,000 | 301,000 | 13.70 | 4.9% | 6.8% |

(1) Total annualized gross rent, including recoverable common area expenses and real estate taxes, in effect at December 31, 2018 for expiring leases that were executed as of December 31, 2018.

(2) Total annualized gross rent, including recoverable CAM expenses and real estate taxes, of expiring leases as a percentage of the total annualized gross rent of all leases that were executed as of December 31, 2018.

(3) Total GLA of expiring leases as a percentage of the total GLA of all leases that were executed as of December 31, 2018.

Debt on Other Property Types

Please see the table entitled "Mortgage Loans Outstanding at December 31, 2018" included herein for information regarding any liens or encumbrances related to our Other Property Types.

Anchors and Junior Anchors

Anchors and Junior Anchors are an important factor in a Property's successful performance. However, we believe that the number of traditional department store anchors will decline over time, providing us the opportunity to redevelop these spaces to attract new uses such as restaurants, entertainment, fitness centers and lifestyle retailers that engage consumers and encourage them to spend more time at our Properties. Anchors are generally a department store or, increasingly, other large format retailers, whose merchandise appeals to a broad range of shoppers and plays a significant role in generating customer traffic and creating a desirable location for the Property's tenants.

Anchors and Junior Anchors may own their stores and the land underneath, as well as the adjacent parking areas, or may enter into long-term leases with respect to their stores. Rental rates for Anchor tenants are significantly lower than the rents charged to non-anchor tenants. Total rental revenues from Anchors and Junior Anchors accounted for 15.7% of the total revenues from our Properties in 2018. Each Anchor and Junior Anchor that owns its store has entered into an operating and reciprocal easement agreement with us covering items such as operating covenants, reciprocal easements, property operations, initial construction and future expansion.

During 2018, the following Anchors and Junior Anchors were added to our Properties, as listed below:

| Name | Property | Location |
|---|---|---|
| Academy Sports + Outdoors | The Shoppes at Eagle Point | Cookeville, TN |
| Burlington | Kentucky Oaks Mall | Paducah, KY |
| Burlington | Northwoods Mall | North Charleston, SC |
| Choice Home Center | Cherryvale Mall | Rockford, IL |
| Dave & Buster's | West Towne Mall | Madison, WI |
| Dick's Sporting Goods | Richland Mall | Waco, TX |
| Flip N Fly | Mayfaire Town Center | Wilmington, NC |
| Flix Brewhouse | East Towne Mall | Madison, WI |
| Gabe's | CoolSprings Crossing | Nashville, TN |
| H&M | Mid Rivers Mall | St. Peters, MO |
| HomeGoods | Hammock Landing | West Melbourne, FL |
| JumpStreet | CoolSprings Crossing | Nashville, TN |
| Marshalls | York Galleria | York, PA |
| Planet Fitness | Eastland Mall | Bloomington, IL |
| Publix | The Shoppes at Eagle Point | Cookeville, TN |
| Round1 Bowling & Amusement | Jefferson Mall | Louisville, KY |
| Total Wine & More | West Towne Mall | Madison, WI |
| Vendors' Village | Honey Creek Mall | Terre Haute, IN |

As of December 31, 2018, the Properties had a total of 492 Anchors and Junior Anchors, including 35 vacant Anchor and Junior Anchor locations, and excluding Anchors and Junior Anchors at our Excluded Malls. The Anchors and Junior Anchors and the amount of GLA leased or owned by each as of December 31, 2018 is as follows:

| Anchor/Junior Anchor | Number of Stores | | | | Gross Leasable Area | | | |
|---|---|---|---|---|---|---|---|---|
| | Leased | Anchor Owned<br>Owned | Ground Leased | Total | Leased | Anchor Owned<br>Owned | Ground Leased | Total |
| JC Penney (1) | 19 | 25 | 4 | 48 | 2,019,746 | 3,163,088 | 586,030 | 5,768,864 |
| Sears (1) (2) | 10 | 13 | 4 | 27 | 1,349,141 | 1,787,174 | 623,825 | 3,760,140 |
| Dillard's (1) | 3 | 37 | 4 | 44 | 310,398 | 5,051,436 | 659,763 | 6,021,597 |
| Macy's | 12 | 17 | 3 | 32 | 1,401,328 | 2,662,030 | 658,388 | 4,721,746 |
| Belk | 5 | 13 | 4 | 22 | 430,017 | 1,807,861 | 397,480 | 2,635,358 |
| Academy Sports + Outdoors | 3 | — | — | 3 | 199,091 | — | — | 199,091 |
| A'GACI | 1 | — | — | 1 | 28,000 | — | — | 28,000 |
| AMC Theatres | 5 | — | 1 | 6 | 191,414 | — | 56,255 | 247,669 |
| American Signature Furniture | — | 1 | — | 1 | — | 61,620 | — | 61,620 |
| Ashley HomeStore | 1 | — | — | 1 | 20,000 | — | — | 20,000 |
| At Home | — | 1 | — | 1 | — | 124,700 | — | 124,700 |
| Barnes & Noble | 17 | — | 1 | 18 | 521,273 | — | 25,920 | 547,193 |
| BB&T | — | — | 1 | 1 | — | — | 60,000 | 60,000 |
| Beall's | 5 | — | — | 5 | 193,209 | — | — | 193,209 |
| Bed Bath & Beyond Inc.: | | | | | | | | |
| Bed Bath & Beyond | 10 | — | — | 10 | 281,868 | — | — | 281,868 |
| Christmas Tree Shops | 1 | — | — | 1 | 33,992 | — | — | 33,992 |
| Bed Bath & | 11 | — | — | 11 | 315,860 | — | — | 315,860 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Beyond Inc. Subtotal | | | | | | | | |
| Ben's Furniture and Antiques | 1 | — | — | 1 | 35,895 | — | — | 35,895 |
| Best Buy | 6 | — | 1 | 7 | 212,485 | — | 44,239 | 256,724 |
| Big Air Trampoline Park | 1 | — | — | 1 | 33,938 | — | — | 33,938 |
| BJ's Wholesale Club | 1 | — | — | 1 | 85,188 | — | — | 85,188 |
| Books-A-Million, Inc.: | | | | | | | | |
| Books-A-Million | 1 | — | — | 1 | 20,642 | — | — | 20,642 |
| 2nd & Charles | 1 | — | — | 1 | 23,538 | — | — | 23,538 |
| Books-A-Million, Inc Subtotal | 2 | — | — | 2 | 44,180 | — | — | 44,180 |
| Boscov's | — | 1 | — | 1 | — | 150,000 | — | 150,000 |
| Burlington (15a) (15b) | 2 | 2 | — | 4 | 140,980 | 94,049 | — | 235,029 |
| Carousel Cinemas | 1 | — | — | 1 | 52,000 | — | — | 52,000 |
| Choice Home Center | 1 | — | — | 1 | 128,330 | — | — | 128,330 |
| Cinemark | 7 | — | — | 7 | 382,506 | — | — | 382,506 |
| Costco | — | 1 | — | 1 | — | 153,973 | — | 153,973 |
| Dave & Buster's (15c) | — | 1 | — | 1 | — | 26,509 | — | 26,509 |
| Dick's Sporting Goods | 23 | 1 | 1 | 25 | 1,271,329 | 50,000 | 80,515 | 1,401,844 |
| Dunham's Sports | 1 | — | — | 1 | 80,551 | — | — | 80,551 |
| Earth Fare | 1 | — | — | 1 | 26,841 | — | — | 26,841 |
| Encore | 4 | — | — | 4 | 101,488 | — | — | 101,488 |
| Flip N Fly | 1 | — | — | 1 | 27,972 | — | — | 27,972 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Flix Brewhouse | 1 | — | — | 1 | 39,150 | — | — | 39,150 |
| The Fresh Market | 1 | — | — | 1 | 21,442 | — | — | 21,442 |
| Gabe's (1) | — | 1 | — | 1 | — | 30,000 | — | 30,000 |
| GameWorks | 1 | — | — | 1 | 21,295 | — | — | 21,295 |
| Gold's Gym | 1 | — | — | 1 | 30,664 | — | — | 30,664 |
| Gordmans | 4 | — | — | 4 | 216,339 | — | — | 216,339 |
| The Grande Cinemas | — | — | 1 | 1 | — | — | 60,400 | 60,400 |

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| Anchor/Junior Anchor | Number of Stores | | | | Gross Leasable Area | | | |
|---|---|---|---|---|---|---|---|---|
| | Leased | Anchor Owned Owned | Ground Leased | Total | Leased | Anchor Owned Owned | Ground Leased | Total |
| H&M | 31 | — | — | 31 | 688,969 | — | — | 688,969 |
| Hamrick's | 1 | — | — | 1 | 40,000 | — | — | 40,000 |
| Harris Teeter | — | — | 1 | 1 | — | — | 72,757 | 72,757 |
| Hobby Lobby | 1 | — | — | 1 | 52,500 | — | — | 52,500 |
| House of Hoops by Foot Locker | 1 | — | — | 1 | 22,847 | — | — | 22,847 |
| I. Keating Furniture | 1 | — | — | 1 | 103,994 | — | — | 103,994 |
| Jo-Ann Fabrics & Crafts | 3 | — | — | 3 | 73,738 | — | — | 73,738 |
| JumpStreet (1) | — | 1 | — | 1 | — | 30,000 | — | 30,000 |
| Kings Dining & Entertainment | 1 | — | — | 1 | 22,678 | — | — | 22,678 |
| Kohl's | 4 | 4 | — | 8 | 320,105 | 312,731 | — | 632,836 |
| Kroger | — | — | 1 | 1 | — | — | 113,531 | 113,531 |
| LA Fitness | 1 | — | — | 1 | 41,000 | — | — | 41,000 |
| Levin Furniture | 1 | — | — | 1 | 55,314 | — | — | 55,314 |
| LIVE Ventures, Inc.: | | | | | | | | |
| V-Stock | 1 | — | — | 1 | 23,058 | — | — | 23,058 |
| Vintage Stock | 1 | — | — | 1 | 46,108 | — | — | 46,108 |
| LIVE Ventures, Inc. Subtotal | 2 | — | — | 2 | 69,166 | — | — | 69,166 |
| Malco Theatres (1) | — | 1 | — | 1 | — | 62,000 | — | 62,000 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Marcus Theatres | 1 | — | — | 1 | 56,000 | — | — | 56,000 |
| Metcalfe's Market | — | 1 | — | 1 | — | 67,365 | — | 67,365 |
| Michaels (1) | 6 | 1 | 1 | 8 | 130,501 | 25,000 | 25,000 | 180,501 |
| Miskelly Furniture Warehouse | — | 1 | — | 1 | — | 40,000 | — | 40,000 |
| Nike Factory Store | 1 | — | — | 1 | 22,479 | — | — | 22,479 |
| Nordstrom | — | — | 2 | 2 | — | — | 385,000 | 385,000 |
| Nordstrom Rack | 2 | — | — | 2 | 56,053 | — | — | 56,053 |
| Office Depot | 1 | — | — | 1 | 23,425 | — | — | 23,425 |
| OfficeMax | — | 1 | — | 1 | — | 24,606 | — | 24,606 |
| Old Navy | 1 | — | — | 1 | 20,257 | — | — | 20,257 |
| Ollie's Bargain Outlet | 1 | — | — | 1 | 28,446 | — | — | 28,446 |
| Party City | 1 | — | — | 1 | 20,841 | — | — | 20,841 |
| PetSmart | 2 | — | — | 2 | 46,248 | — | — | 46,248 |
| Planet Fitness | 3 | — | — | 3 | 63,509 | — | — | 63,509 |
| Publix | 1 | — | — | 1 | 45,600 | — | — | 45,600 |
| Regal Cinemas | 4 | 1 | — | 5 | 211,725 | 57,854 | — | 269,579 |
| REI | 1 | — | — | 1 | 24,427 | — | — | 24,427 |
| Ross Dress for Less (1) | 8 | 1 | — | 9 | 218,607 | 30,021 | — | 248,628 |
| Round1 Bowling & Amusement | 1 | — | — | 1 | 50,000 | — | — | 50,000 |
| Saks Fifth Avenue OFF 5TH | 2 | — | — | 2 | 49,365 | — | — | 49,365 |
| Scheel's | 2 | — | — | 2 | 200,536 | — | — | 200,536 |
| Schuler Books & Music | 1 | — | — | 1 | 24,116 | — | — | 24,116 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Shopko | — | 1 | — | 1 | — | 97,773 | — | 97,773 |
| Sleep Inn & Suites | — | — | 1 | 1 | — | — | 123,506 | 123,506 |
| Southwest Theaters | 1 | — | — | 1 | 29,830 | — | — | 29,830 |
| Sportsman's Warehouse | — | 1 | — | 1 | — | 48,171 | — | 48,171 |
| Staples | 1 | — | — | 1 | 20,388 | — | — | 20,388 |

| | Number of Stores | | | | Gross Leasable Area | | | |
|---|---|---|---|---|---|---|---|---|
| Anchor/Junior Anchor | Leased | Anchor Owned<br>Owned | Ground Leased | Total | Leased | Anchor Owned<br>Owned | Ground Leased | Total |
| Steel City Indoor Karting | 1 | — | — | 1 | 64,135 | — | — | 64,135 |
| Stein Mart | 2 | 1 | — | 3 | 60,463 | 21,200 | — | 81,663 |
| Target | — | 8 | — | 8 | — | 948,730 | — | 948,730 |
| Tilt | 2 | — | — | 2 | 64,658 | — | — | 64,658 |
| The TJX Companies, Inc.: | | | | | | | | |
| HomeGoods [1] | 3 | 1 | — | 4 | 77,480 | 25,000 | — | 102,480 |
| Marshalls | 7 | — | — | 7 | 207,050 | — | — | 207,050 |
| T.J. Maxx [1] | 3 | 1 | 1 | 5 | 84,558 | 28,081 | 25,000 | 137,639 |
| The TJX Companies, Inc. Subtotal | 13 | 2 | 1 | 16 | 369,088 | 53,081 | 25,000 | 447,169 |
| Total Wine and More [15c] | — | 1 | — | 1 | — | 28,350 | — | 28,350 |
| Vendor's Village | 1 | — | — | 1 | 69,732 | — | — | 69,732 |
| Vertical Trampoline Park | 1 | — | — | 1 | 24,972 | — | — | 24,972 |
| Von Maur | — | 1 | — | 1 | — | 150,000 | — | 150,000 |
| Whole Foods [1] | — | — | 1 | 1 | — | — | 34,320 | 34,320 |
| XXI Forever / Forever 21 [1] | 8 | 1 | — | 9 | 259,567 | 57,500 | — | 317,067 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Vacant Anchor/Junior Anchor: | | | | | | | | |
| Vacant - former Ashley HomeStore | | — | — | 1 | 26,439 | — | — | 26,439 |
| Vacant - former Bergner's | 1 | — | — | 1 | 131,616 | — | — | 131,616 |
| Vacant - former The Bon-Ton (1) | — | 1 | — | 1 | — | 131,915 | — | 131,915 |
| Vacant - former Boston Store (1) | — | 3 | — | 3 | — | 493,411 | — | 493,411 |
| Vacant - former Brightwood College | | — | — | 1 | 30,294 | — | — | 30,294 |
| Vacant - former Carson's | 1 | — | — | 1 | 148,810 | — | — | 148,810 |
| Vacant - former Elder-Beerman (3) | | — | — | 1 | 35,490 | — | — | 35,490 |
| Vacant - former Herberger's (4) | 2 | — | — | 2 | 126,954 | — | — | 126,954 |
| Vacant - former JC Penney (1) | — | 1 | — | 1 | — | 173,124 | — | 173,124 |
| | — | 1 | — | 1 | — | 101,445 | — | 101,445 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Vacant - former Kmart (1) | | | | | | | | |
| Vacant - former Macy's | 2 | — | — | 2 | 294,231 | — | — | 294,231 |
| Vacant - former Sears (1) (5) | 5 | 10 | — | 15 | 558,159 | 1,165,432 | — | 1,723,591 |
| Vacant - former Toys"R"Us (1) | — | 3 | — | 3 | — | 136,814 | — | 136,814 |
| Vacant - former Younkers | 1 | — | 1 | 2 | 93,597 | — | 74,899 | 168,496 |
| Current Developments: | | | | | | | | |
| Dave & Buster's (6) | 1 | — | — | 1 | 31,576 | — | — | 31,576 |
| Dick's Sporting Goods (7) | 1 | — | — | 1 | 45,000 | — | — | 45,000 |
| Entertainment user (5) | 1 | — | — | 1 | 79,500 | — | — | 79,500 |
| HomeGoods (3) (7) | 2 | — | — | 2 | 45,228 | — | — | 45,228 |
| Launch Trampoline Park (8) | 1 | — | — | 1 | 31,989 | — | — | 31,989 |
| Marcus Theatres / Whirlyball (9) | 1 | — | — | 1 | 85,585 | — | — | 85,585 |
| O2 Fitness | 1 | — | — | 1 | 27,048 | — | — | 27,048 |

(10)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Ross Dress for Less (15a) | — | 1 | — | 1 | — | 23,432 | — | 23,432 |
| ShopRite (11) | 1 | — | — | 1 | 87,381 | — | — | 87,381 |
| Stadium Live! Casino (12) | 1 | — | — | 1 | 100,000 | — | — | 100,000 |
| TruFit Athletic Club (13) | 1 | — | — | 1 | 45,179 | — | — | 45,179 |

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| | Number of Stores | | | | Gross Leasable Area | | | |
|---|---|---|---|---|---|---|---|---|
| | | Anchor Owned | | | | Anchor Owned | | |
| Anchors/Junior Anchor | Leased | Owned | Ground Leased | Total | Leased | Owned | Ground Leased | Total |
| Urban Air Adventure Park (14) | 1 | — | — | 1 | 33,860 | — | — | 33,860 |
| Value Retailer (4) | 1 | — | — | 1 | 18,014 | — | — | 18,014 |
| Total Anchors/Junior Anchors | 296 | 162 | 34 | 492 | 15,753,279 | 19,442,395 | 4,106,828 | 39,302,502 |

(1) The following Anchors/Junior Anchors are owned by third parties: the former Bon-Ton at York Galleria, the former Boston Store at Brookfield Square, the former Boston Store at East Towne Mall, the former Boston Store at West Towne Mall, Dillard's for Women at Richland Mall, Forever 21 at Hamilton Place Mall, Gabe's at CoolSprings Crossing, HomeGoods at Hamilton Crossing, JC Penney at Frontier Mall, the former JC Penney at Northgate Mall, JumpStreet at CoolSprings Crossing, the former Kmart at Sunrise Commons, Malco Theatres at The Forum at Grandview, Michaels at Hamilton Crossing, Michaels at Westmoreland Crossing, Ross Dress for Less at Frontier Square, Sears at Hanes Mall, Sears at Richland Mall, the former Sears at Frontier Mall, T.J. Maxx at Westmoreland Crossing, T.J. Maxx at Frontier Square, the former Toys "R" Us at CoolSprings Crossing and Whole Foods at Friendly Center.

(2) Sears at Imperial Valley Mall is owned by Seritage Growth Properties.

(3) A portion of the former Elder-Beerman at Kentucky Oaks Mall is being redeveloped into a HomeGoods. The remainder remains vacant.

(4) There is a lease out for signature for a portion of the former Herberger's at Dakota Square Mall. The remainder remains vacant.

(5) There is an executed lease with a new user for the lower level of the former Sears at York Galleria. The upper level remains vacant.

(6) Nine small shops at Hanes Mall have been combined for a new Dave & Buster's, which is expected to open in spring 2019.

(7) The former Macy's at Parkdale Mall has been demolished and is being rebuilt for Dick's Sporting Goods, HomeGoods, and a small shop.

(8) Launch Trampoline Park had a rent commencement date of 7/31/18 and is expected to open in February 2019 in a portion of the former Gordmans at Meridian Mall.

(9) The former Sears at Brookfield Square has been demolished and is being replaced with Marcus Theatres and Whirlyball.

(10) O2 Fitness is expected to open in spring 2019 at Friendly Center.

(11) ShopRite has an executed lease and is expected to open in late 2019 to fill the former Bon-Ton space at Stroud Mall.

(12) Stadium Live! Casino has an executed lease and is expected to open in late 2019 to fill the former Bon-Ton space at Westmoreland Mall.

(13) TruFit Athletic Club has an executed lease and is expected to open in early 2019 to fill the former Joe Brand space at Mall del Norte.

(14) Urban Air Adventure Park has an executed lease and is under construction to fill the former HH Gregg at Southaven Towne Center.

(15) The former Sears at Asheville Mall, Burnsville Center, Greenbrier Mall, Kentucky Oaks Mall, Northwoods Mall, and West Towne Mall are owned by Seritage Growth Properties.

a. A portion of the former Sears at Kentucky Oaks Mall has been redeveloped into a Burlington. Another portion is being redeveloped into a Ross Dress for Less. A further 41,013 square feet remains vacant.

b. A portion of the former Sears at Northwoods Mall has been redeveloped into a Burlington. The remainder remains vacant.

c. A portion of the former Sears at West Towne Mall has been redeveloped into a Dave & Buster's and Total Wine and More. The remainder remains vacant.

Mortgages Notes Receivable

We own seven mortgages, each of which is collateralized by either a first mortgage, a second mortgage or by assignment of 100% of the ownership interests in the underlying real estate and related improvements. The mortgages are more fully described on Schedule IV in Part IV of this report.

Mortgage Loans Outstanding at December 31, 2018 (in thousands):

| Property | Our Ownership Interest | Stated Interest Rate | Principal Balance as of 12/31/18 (1) | 2019 Annual Debt Service (2) | Maturity Date | Optional Extended Maturity Date | Balloon Payment Due on Maturity (2) | Open to Prepayment Date (3) | Footnote |
|---|---|---|---|---|---|---|---|---|---|
| Consolidated Debt Malls: | | | | | | | | | |
| Acadiana Mall | 100% | 5.67 % | $119,760 | $ — | Apr-17 | — | $119,760 | Open | (4) |
| Alamance Crossing - East | 100% | 5.83 % | 45,464 | 3,589 | Jul-21 | — | 43,046 | Open | |
| Arbor Place | 100% | 5.10 % | 109,209 | 7,948 | May-22 | — | 100,861 | Open | |
| Asheville Mall | 100% | 5.80 % | 66,038 | 5,917 | Sep-21 | — | 60,190 | Open | |
| Burnsville Center | 100% | 6.00 % | 67,312 | 6,417 | Jul-20 | — | 63,589 | Open | |
| Cary Towne Center | 100% | 4.00 % | 43,716 | 146 | Jun-18 | — | 43,716 | Open | (5) |
| Cross Creek Mall | 100% | 4.54 % | 115,513 | 9,376 | Jan-22 | — | 102,260 | Open | |
| EastGate Mall | 100% | 5.83 % | 34,057 | 3,613 | Apr-21 | — | 30,155 | Open | |
| Fayette Mall | 100% | 5.42 % | 152,264 | 13,527 | May-21 | — | 139,177 | Open | |
| Greenbrier Mall | 100% | 5.41 % | 68,101 | 7,193 | Dec-19 | Dec-20 | 60,926 | Open | (6) |
| Hamilton Place | 90% | 4.36 % | 102,429 | 6,400 | Jun-26 | — | 85,535 | Open | |
| Hickory Point Mall | 100% | 5.85 % | 27,446 | 1,606 | Dec-19 | — | 27,446 | Open | (7) |
| Honey Creek Mall | 100% | 8.00 % | 24,027 | 1,842 | Jul-19 | — | 23,290 | Open | (8) |
| Jefferson Mall | 100% | 4.75 % | 63,379 | 4,456 | Jun-22 | — | 58,176 | Open | |
| Northwoods Mall | 100% | 5.08 % | 65,193 | 4,743 | Apr-22 | — | 60,292 | Open | |
| The Outlet Shoppes at Atlanta | 75% | 4.90 % | 73,233 | 5,095 | Nov-23 | — | 65,036 | Open | |
| The Outlet Shoppes at Atlanta (Phase II) | 75% | 4.85 % | 4,575 | 347 | Dec-19 | — | 4,454 | Open | (9)(10) |
| The Outlet Shoppes at El Paso | 75% | 5.10 % | 74,823 | 4,888 | Oct-28 | — | 61,342 | Jul-28 | |
| The Outlet Shoppes at Gettysburg | 50% | 4.80 % | 37,762 | 2,422 | Oct-25 | — | 32,927 | Open | |
| The Outlet Shoppes at Laredo | 65% | 5.00 % | 54,550 | 4,523 | May-19 | May-21 | 50,200 | Open | (9)(11) |
| The Outlet Shoppes of the Bluegrass | 65% | 4.05 % | 71,739 | 4,464 | Dec-24 | — | 61,316 | Open | |
| The Outlet Shoppes of the Bluegrass (Phase II) | 65% | 4.85 % | 9,482 | 701 | Jul-20 | — | 9,102 | Open | (9)(12) |
| Park Plaza | 100% | 5.28 % | 81,287 | 7,165 | Apr-21 | — | 74,428 | Open | |
| Parkdale Mall & Crossing | 100% | 5.85 % | 78,544 | 7,241 | Mar-21 | — | 72,447 | Open | |
| Parkway Place | 100% | 6.50 % | 34,486 | 3,403 | Jul-20 | — | 32,661 | Open | |
| Southpark Mall | 100% | 4.85 % | 59,766 | 4,240 | Jun-22 | — | 54,924 | Open | |
| Valley View Mall | 100% | 6.50 % | 53,372 | 5,267 | Jul-20 | — | 50,547 | Open | |
| Volusia Mall | 100% | 8.00 % | 41,332 | 3,168 | Jul-19 | — | 40,064 | Open | (8) |
| WestGate Mall | 100% | 4.99 % | 33,910 | 2,803 | Jul-22 | — | 29,670 | Open | |
| | | | 1,812,769 | 132,500 | | | 1,657,537 | | |

| Property | Our Ownership Interest | Stated Interest Rate | Principal Balance as of 12/31/18 (1) | 2019 Annual Debt Service (2) | Maturity Date | Optional Extended Maturity Date | Balloon Payment Due on Maturity (2) | Open to Prepayment Date (3) | Footnote |
|---|---|---|---|---|---|---|---|---|---|
| Other Properties: | | | | | | | | | |
| CBL Center | 92% | 5.00 % | 17,780 | 1,651 | Jun-22 | — | 14,949 | Open | (13) |
| Hamilton Crossing & Expansion | 92% | 5.99 % | 8,821 | 819 | Apr-21 | — | 8,122 | Open | (14) |
| The Terrace | 92% | 7.25 % | 12,334 | 1,284 | Jun-20 | — | 11,755 | Open | (14) |
| | | | 38,935 | 3,754 | | | 34,826 | | |
| Construction Loan: | | | | | | | | | |
| Brookfield Square Anchor Redevelopment | 100% | 5.25 % | 8,172 | 439 | Oct-21 | Oct-22 | 29,400 | Open | (15) |
| Operating Partnership Debt: | | | | | | | | | |
| Unsecured credit facilities (16) | | | | | | | | | |
| $500,000 capacity | 100% | 3.90 % | — | — | Oct-19 | Oct-20 | — | Open | (17) |
| $100,000 capacity | 100% | 3.90 % | 51,896 | 2,024 | Oct-19 | Oct-20 | 51,896 | Open | (17) |
| $500,000 capacity | 100% | 3.90 % | 132,076 | 5,151 | Oct-20 | — | 132,076 | Open | (17) |
| | | | 183,972 | 7,175 | | | 183,972 | | |
| Unsecured term loans (16) | | | | | | | | | |
| $350,000 term loan | 100% | 4.10 % | 350,000 | 14,350 | Oct-19 | — | 350,000 | Open | (18) |
| $300,000 term loan | 100% | 4.35 % | 300,000 | 13,050 | Jul-20 | Jul-21 | 300,000 | Open | (19) |
| $45,000 term loan | 100% | 4.17 % | 45,000 | 1,877 | Jun-21 | Jun-22 | 45,000 | Open | (20) |
| | | | 695,000 | 29,277 | | | 695,000 | | |
| Senior unsecured Notes | | | | | | | | | |
| 2023 Notes | 100% | 5.25 % | 450,000 | 23,625 | Dec-23 | — | 450,000 | Open | |
| 2024 Notes | 100% | 4.60 % | 300,000 | 13,800 | Oct-24 | — | 300,000 | Open | |
| 2026 Notes | 100% | 5.95 % | 625,000 | 37,188 | Dec-26 | — | 625,000 | Open | |
| | | | 1,375,000 | 74,613 | | | 1,375,000 | | |
| Unamortized Discounts, net | | | (10,989) | — | | | — | | (21) |
| Total Consolidated Debt | | | $4,102,859 | $247,758 | | | $3,975,735 | | |
| Unconsolidated Debt | | | | | | | | | |
| Operating Properties | | | | | | | | | |
| Malls: | | | | | | | | | |
| Coastal Grand | 50% | 4.09 % | $110,516 | $6,958 | Aug-24 | — | $95,230 | Open | |
| CoolSprings Galleria | 50% | 4.84 % | 153,641 | 9,803 | May-28 | — | 125,774 | Feb-28 | |
| Friendly Shopping Center | 50% | 3.48 % | 94,712 | 5,375 | Apr-23 | — | 85,203 | Open | |
| Oak Park Mall | 50% | 3.97 % | 270,281 | 15,755 | Oct-25 | — | 231,459 | Open | |
| The Shops at Friendly Center | 50% | 3.34 % | 60,000 | 2,004 | Apr-23 | — | 60,000 | Feb-19 | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Triangle Town Center | 10% | 4.00 % | 139,000 | — | Dec-18 | — | 139,000 | Open | (22) |

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| Property | Our Ownership Interest | Stated Interest Rate | Principal Balance as of 12/31/18 (1) | 2019 Annual Debt Service (2) | Maturity Date | Optional Extended Maturity Date | Balloon Payment Due on Maturity (2) | Open to Prepayment Date (3) | Footnote |
|---|---|---|---|---|---|---|---|---|---|
| West County Center | 50% | 3.40 % | 178,779 | 10,111 | Dec-22 | — | 162,270 | Open | |
| York Town Center | 50% | 4.90 % | 31,772 | 2,657 | Feb-22 | — | 28,293 | Open | |
| | | | 1,038,701 | 52,663 | | | 927,229 | | |
| Other Properties: | | | | | | | | | |
| Ambassador Town Center | 65% | 3.22 % | 44,863 | 3,227 | Jun-23 | — | 38,866 | Open | (23) (24) |
| Ambassador Town Center Infrastructure Improvements | 65% | 3.74 % | 10,605 | 1,022 | Aug-20 | — | 9,360 | Open | (25) (26) |
| Coastal Grand Outparcel | 50% | 4.09 % | 5,333 | 336 | Aug-24 | — | 4,595 | Open | (26) |
| EastGate Mall - Self-Storage Development | 50% | 5.10 % | 5,222 | 278 | Dec-22 | — | 6,260 | Open | (9) (26) (12) (27) |
| Fremaux Town Center (Phase I) | 65% | 3.70 % | 68,446 | 4,480 | Jun-26 | — | 52,130 | Jun-19 | (23) |
| Hammock Landing (Phase I) | 50% | 4.60 % | 40,587 | 2,656 | Feb-21 | Feb-23 | 37,337 | Open | (9) (23) |
| Hammock Landing (Phase II) | 50% | 4.60 % | 16,007 | 1,099 | Feb-21 | Feb-23 | 14,507 | Open | (9) (23) |
| The Pavilion at Port Orange | 50% | 4.60 % | 56,087 | 3,708 | Feb-21 | Feb-23 | 51,437 | Open | (9) (23) |
| The Shoppes at Eagle Point | 50% | 5.26 % | 33,826 | 1,806 | Oct-20 | Oct-22 | 36,400 | Open | (9) (23) (12) |
| York Town Center - Pier 1 | 50% | 5.10 % | 1,247 | 113 | Feb-22 | — | 1,089 | Open | (9) (26) |
| | | | 282,223 | 18,725 | | | 251,981 | | |
| Construction Loan: | | | | | | | | | |
| Mid Rivers Mall - Self-Storage Development | 50% | 5.10 % | 3,892 | 208 | Apr-23 | — | 5,767 | Open | (9) (26) (12) (28) |
| Total Unconsolidated Debt | | | $1,324,816 | $71,596 | | | $1,184,977 | | |
| Total Consolidated and Unconsolidated Debt | | | $5,427,675 | $319,354 | | | $5,160,712 | | |
| Company's Pro-Rata Share of Total Debt | | | $4,659,075 | $280,158 | | | | | (29) |

(1) The amount listed includes 100% of the loan amount even though the Operating Partnership may have less than a 100% ownership interest in the Property.
(2) Assumes extension option will be exercised, if applicable.
(3) Prepayment premium is based on yield maintenance or defeasance.

(4) Acadiana Mall - The loan secured by this mall was in default and receivership. The lender received title to the mall in January 2019. See Note 20 to the consolidated financial statements for more information.

(5) Cary Towne Center - The loan secured by this mall is in default as of December 31, 2018. The Company and the lender executed a forbearance agreement in August 2018 which required the Company to market the Property for sale. The 2019 annual debt service includes only the January 2019 interest payment, which was made prior to the end of the forbearance agreement. The mall was sold in January 2019 and the lender received the sales proceeds in satisfaction of the non-recourse loan. See Note 20 to the consolidated financial statements for more information.

(6) Greenbrier Mall - The interest rate increased to 5.41% on January 1, 2018. The loan has a one-year extension option, at our election, which is contingent on the mall meeting specified debt service and operational metrics. If the loan is extended, monthly principal payments of $325 will be required in 2020 in addition to interest.

(7) Hickory Point Mall - The loan is interest-only through the maturity date.

(8) The mortgages on Honey Creek Mall and Volusia Mall are cross-collateralized and cross-defaulted.

(9) The interest rate is variable at various spreads over LIBOR priced at the rates in effect at December 31, 2018. The debt is prepayable at any time without prepayment penalty.

(10) The Outlet Shoppes at Atlanta (Phase II) - The interest rate will be reduced to a spread of LIBOR plus 2.35% once certain debt and operational metrics are met. The Operating Partnership owns less than 100% of the Property but guarantees 100% of the debt.

(11) The Outlet Shoppes at Laredo - The interest rate will be reduced to LIBOR plus 2.25% once certain debt and operational metrics are met. The loan has one 24-month extension option, which is at the joint venture's election, subject to continued compliance with the terms of the loan agreement. The Operating Partnership owns less than 100% of the Property but guarantees 100% of the debt.

(12) The Operating Partnership owns less than 100% of the Property but guarantees 100% of the debt.

(13) CBL Center consists of our two corporate office buildings.

(14) Property type is an associated center.

(15) Brookfield Square Anchor Redevelopment - The $29,400 construction loan closed in October 2018 to fund the redevelopment of a former Sears location at Brookfield Square. The loan is interest only at a variable rate of LIBOR plus 2.90%. The loan matures October 2021, and has a one-year extension option, at our election, which is contingent on meeting specific debt and operational metrics.

(16) Subsequent to December 31, 2018, we closed on a new secured credit facility and secured term loan which replaced our existing unsecured credit facilities and term loans. See Note 20 to the consolidated financial statements for more information.

(17) Unsecured credit facilities - As of December 31, 2018, the variable interest rate is LIBOR plus 1.55% based on the credit ratings of the Operating Partnership's senior unsecured long-term indebtedness of Ba1 from Moody's, BB+ from S&P and BB- from Fitch.

(18) $350,000 term loan - As of December 31, 2018, the variable interest rate is LIBOR plus 1.75% based on the credit ratings of the Operating Partnership's senior unsecured long-term indebtedness of Ba1 from Moody's, BB+ from S&P and BB- from Fitch.

(19) $300,000 term loan - As of December 31, 2018, the variable interest rate is LIBOR plus 2.00% based on the credit ratings of the Operating Partnership's senior unsecured long-term indebtedness of Ba1 from Moody's, BB+ from S&P and BB- from Fitch.

(20) $45,000 term loan - The loan had a one-year extension option at our election for an outside maturity date of June 2022.

(21) Represents bond discounts.

(22) Triangle Town Center - The loan secured by this mall is in default as of December 31, 2018.

(23) Property type is a community center.

(24) Ambassador Town Center - The unconsolidated affiliate has an interest rate swap on a notional amount of $44,863, amortizing to $38,866 over the term of the swap, to effectively fix the interest rate on the variable-rate loan. Therefore, this amount is currently reflected as having a fixed rate. The swap terminates in June 2023.

(25) Ambassador Town Center Infrastructure Improvements - The loan requires annual principal payments of $555 and $690 in 2019 and 2020, respectively. The joint venture has an interest rate swap on a notional amount of $10,605, amortizing to $9,360 over the term of the swap, to effectively fix the interest rate on the variable rate loan. Therefore, this amount is currently reflected as having a fixed rate. The swap terminates in August 2020. The Operating Partnership owns less than 100% of the Property but guarantees 100% of the debt.

(26) Property type is Other.

(27) EastGate Mall - Self-Storage Development - The loan is interest-only through November 2020. Thereafter, monthly payments of $10, in addition to interest, will be due. The interest rate will be reduced to a variable-rate of LIBOR plus 2.35% once construction is complete and certain debt and operational metrics are met.

(28) Mid Rivers Mall - Self-Storage Development - The $5,987 construction loan is interest only through May 2021. Thereafter, monthly payments of $9, in addition to interest, will be due.

(29)

Represents our pro rata share of debt, including our share of unconsolidated affiliates' debt and excluding noncontrolling interests' share of consolidated debt on shopping center Properties.

The following is a reconciliation of consolidated debt to our pro rata share of total debt (in thousands):

| | |
|---|---|
| Total consolidated debt [1] | $4,102,859 |
| Noncontrolling interests' share of consolidated debt | (94,361 ) |
| Company's share of unconsolidated debt | 650,577 |
| Unamortized deferred financing costs | (17,846 ) |
| Company's pro rata share of total debt | $4,641,229 |

(1) Includes $43,716 of debt related to Cary Town Center that is classified in liabilities related to assets held for sale in the consolidated balance sheets as of December 31, 2018.

Other than our property-specific mortgage or construction loans, there are no material liens or encumbrances on our Properties. See Note 6 and Note 7 to the consolidated financial statements for additional information regarding property-specific indebtedness and construction loans.

ITEM 3. LEGAL PROCEEDINGS

On March 16, 2016, Wave Lengths Hair Salons of Florida, Inc. d/b/a Salon Adrian filed a putative class action in the United States District Court for the Middle District of Florida (the "Court") for unspecified monetary damages as well as costs and attorneys' fees, based on allegations that the Company and certain affiliated entities overcharged tenants at bulk metered malls for electricity. On January 7, 2019, the Court partially granted the plaintiff's motion for class certification of a nationwide RICO class and a Florida RICO and FDUTPA class. We believe this lawsuit is without merit and are defending ourselves vigorously. On January 22, 2019, we filed a petition seeking interlocutory review of the Court's class certification order; that petition is still pending as of the date of this report. On January 23, 2019, the Court set this matter for the trial term starting on April 1, 2019. We have not recorded an accrual relating to this matter at this time as a loss has not been determined to be probable. Further, we do not have sufficient information to reasonably estimate the amount or range of reasonably possible loss at this time. However, litigation is uncertain and an adverse judgment in this case could have a material adverse effect on our financial condition and results of operations. This matter is not covered by insurance.

We are currently involved in certain other litigation that arises in the ordinary course of business, most of which is expected to be covered by liability insurance. Based on current expectations, such matters, both individually and in the aggregate, are not expected to have a material adverse effect on our liquidity, results of operations, business or financial condition.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common stock of CBL & Associates Properties, Inc. is traded on the New York Stock Exchange. The stock symbol is "CBL". There were approximately 829 shareholders of record for our common stock as of February 25, 2019. Future dividend distributions are subject to our actual results of operations, taxable income, economic conditions, issuances of common stock and such other factors as our Board of Directors deems relevant. Our actual results of operations will be affected by a number of factors, including the revenues received from the Properties, our operating expenses, interest expense, unanticipated capital expenditures and the ability of the Anchors and tenants at the Properties to meet their obligations for payment of rents and tenant reimbursements.

See Part III, Item 12 contained herein for information regarding securities authorized for issuance under equity compensation plans. The following table presents information with respect to repurchases of common stock made by us during the three months ended December 31, 2018:

| Period | Total Number of Shares Purchased [(1)] | Average Price Paid per Share [(2)] | Total Number of Shares Purchased as Part of a Publicly Announced Plan | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan |
|---|---|---|---|---|
| Oct. 1–31, 2018 | — | $ — | — | $ — |
| Nov. 1–30, 2018 | 357 | 3.02 | — | — |
| Dec. 1–31, 2018 | 7,073 | 2.40 | — | — |
| Total | 7,430 | $ 2.43 | — | $ — |

(1) Represents shares surrendered to the Company by employees to satisfy federal and state income tax requirements related to the vesting of shares of restricted stock.

(2) Represents the market value of the common stock on the vesting date for the shares of restricted stock, which was used to determine the number of shares required to be surrendered to satisfy income tax withholding

requirements.

Operating Partnership Units

There is no established public trading market for the Operating Partnership's common units. On February 25, 2019, the Operating Partnership had 26,758,405 common units outstanding (comprised of 3,269,446 special common units and 23,488,959 common units) held by 69 holders of record, excluding the 172,656,458 common units held by the Company.

During the three months ended December 31, 2018, the Operating Partnership canceled the 7,430 common units underlying the 7,430 shares of common stock that were surrendered for tax obligations in conjunction with the surrender to the Company of such shares, as described above. During December 2018, the Operating Partnership elected to pay less than $0.1 million in cash, at a cost of $2.636 per unit, to a holder of 8,120 special common units of limited partnership interest in the Operating Partnership upon the exercise of the holder's conversion rights.

ITEM 6. SELECTED FINANCIAL DATA (CBL & Associates Properties, Inc.)

(In thousands, except per share data)

| | Year Ended December 31, [1] | | | | |
|---|---|---|---|---|---|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Total revenues | $858,557 | $927,252 | $1,028,257 | $1,055,018 | $1,060,739 |
| Total operating expenses | (774,835) | (694,690) | (774,629) | (777,434) | (685,596) |
| Total other income (expenses) | (182,951) | (73,580) | (58,097) | (158,569) | (122,164) |
| Income (loss) from continuing operations | (99,229) | 158,982 | 195,531 | 119,015 | 252,979 |
| Discontinued operations | — | — | — | — | 54 |
| Net income (loss) | (99,229) | 158,982 | 195,531 | 119,015 | 253,033 |
| Net (income) loss attributable to noncontrolling interests in: | | | | | |
| Operating Partnership | 19,688 | (12,652) | (21,537) | (10,171) | (30,106) |
| Other consolidated subsidiaries | 973 | (25,390) | (1,112) | (5,473) | (3,777) |
| Net income (loss) attributable to the Company | (78,568) | 120,940 | 172,882 | 103,371 | 219,150 |
| Preferred dividends | (44,892) | (44,892) | (44,892) | (44,892) | (44,892) |
| Net income (loss) available to common shareholders | $(123,460) | $76,048 | $127,990 | $58,479 | $174,258 |
| | | | | | |
| Basic per share data attributable to common shareholders: | | | | | |
| Income (loss) from continuing operations, net of preferred dividends | $(0.72) | $0.44 | $0.75 | $0.34 | $1.02 |
| Net income (loss) attributable to common shareholders | $(0.72) | $0.44 | $0.75 | $0.34 | $1.02 |
| Weighted-average common shares outstanding | 172,486 | 171,070 | 170,762 | 170,476 | 170,247 |
| | | | | | |
| Diluted per share data attributable to common shareholders: | | | | | |
| Income (loss) from continuing operations, net of preferred dividends | $(0.72) | $0.44 | $0.75 | $0.34 | $1.02 |
| Net income (loss) attributable to common shareholders | $(0.72) | $0.44 | $0.75 | $0.34 | $1.02 |
| Weighted-average common and potential dilutive common shares outstanding | 172,486 | 171,070 | 170,836 | 170,499 | 170,247 |
| | | | | | |
| Amounts attributable to common shareholders: | | | | | |
| Income (loss) from continuing operations, net of preferred dividends | $(123,460) | $76,048 | $127,990 | $58,479 | $174,212 |
| Discontinued operations | — | — | — | — | 46 |
| Net income (loss) attributable to common shareholders | $(123,460) | $76,048 | $127,990 | $58,479 | $174,258 |
| Dividends declared per common share | $0.675 | $0.995 | $1.060 | $1.060 | $1.000 |

(1) Please refer to Notes 4, 6 and 16 to the consolidated financial statements for a description of acquisitions, joint venture transactions and impairment charges that have impacted the comparability of the financial information presented.

| | December 31, | | | | |
|---|---|---|---|---|---|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| BALANCE SHEET DATA: | | | | | |
| Net investment in real estate assets | $4,785,526 | $5,156,835 | $5,520,539 | $5,857,953 | $5,947,175 |
| Total assets | 5,340,853 | 5,704,808 | 6,104,640 | 6,479,991 | 6,599,172 |
| Mortgage and other indebtedness, net | 4,043,180 | 4,230,845 | 4,465,294 | 4,710,628 | 4,683,333 |
| Redeemable noncontrolling interests | 3,575 | 8,835 | 17,996 | 25,330 | 37,559 |
| Total shareholders' equity | 964,137 | 1,140,004 | 1,228,714 | 1,284,970 | 1,406,552 |
| Noncontrolling interests | 68,028 | 96,474 | 112,138 | 114,629 | 143,376 |
| Total equity | 1,032,165 | 1,236,478 | 1,340,852 | 1,399,599 | 1,549,928 |

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| OTHER DATA: | | | | | |
| Cash flows provided by (used in): | | | | | |
| Operating activities | $377,242 | $430,397 | $468,579 | $495,015 | $468,061 |
| Investing activities | (27,469 ) | (75,812 ) | 9,988 | (265,306 ) | (239,735 ) |
| Financing activities | (360,433 ) | (351,482 ) | (485,074 ) | (236,246 ) | (260,768 ) |
| FFO allocable to Operating Partnership common unitholders [(1)] | 339,803 | 434,613 | 538,198 | 481,068 | 545,514 |
| FFO allocable to common shareholders | 293,658 | 373,028 | 460,052 | 410,592 | 465,160 |

(1) Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for the definition of FFO, which does not represent cash flows from operations as defined by accounting principles generally accepted in the United States of America ("GAAP") and is not necessarily indicative of the cash available to fund all cash requirements. A reconciliation of net income (loss) attributable to common shareholders to FFO allocable to Operating Partnership common unitholders is presented on page 77.

ITEM 6. SELECTED FINANCIAL DATA (CBL & Associates Limited Partnership)
(In thousands, except per unit data)

| | Year Ended December 31, [(1)] | | | | |
|---|---|---|---|---|---|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Total revenues | $858,557 | $927,252 | $1,028,257 | $1,055,018 | $1,060,739 |
| Total operating expenses | (774,835 ) | (694,690 ) | (774,629 ) | (777,434 ) | (685,596 ) |
| Total other income (expenses) | (182,951 ) | (73,580 ) | (58,097 ) | (158,569 ) | (122,164 ) |
| Income (loss) from continuing operations | (99,229 ) | 158,982 | 195,531 | 119,015 | 252,979 |
| Discontinued operations | — | — | — | — | 54 |
| Net income (loss) | (99,229 ) | 158,982 | 195,531 | 119,015 | 253,033 |
| Net (income) loss attributable to noncontrolling interests | 973 | (25,390 ) | (1,112 ) | (5,473 ) | (3,777 ) |
| Net income (loss) attributable to the Operating Partnership | (98,256 ) | 133,592 | 194,419 | 113,542 | 249,256 |
| Distributions to preferred unitholders | (44,892 ) | (44,892 ) | (44,892 ) | (44,892 ) | (44,892 ) |
| Net income (loss) available to common unitholders | $(143,148) | $88,700 | $149,527 | $68,650 | $204,364 |
| | | | | | |
| Basic per unit data attributable to common unitholders: | | | | | |
| Income (loss) from continuing operations, net of preferred distributions | $(0.72 ) | $0.45 | $0.75 | $0.34 | $1.02 |
| Net income (loss) attributable to common unitholders | $(0.72 ) | $0.45 | $0.75 | $0.34 | $1.02 |
| Weighted-average common units outstanding | 199,580 | 199,322 | 199,764 | 199,734 | 199,660 |

| | Year Ended December 31, (1) | | | | |
|---|---|---|---|---|---|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Diluted per unit data attributable to common unitholders: | | | | | |
| Income (loss) from continuing operations, net of preferred distributions | $(0.72) | $0.45 | $0.75 | $0.34 | $1.02 |
| Net income (loss) attributable to common unitholders | $(0.72) | $0.45 | $0.75 | $0.34 | $1.02 |
| Weighted-average common and potential dilutive common units outstanding | 199,580 | 199,322 | 199,838 | 199,757 | 199,660 |
| Amounts attributable to common unitholders: | | | | | |
| Income (loss) from continuing operations, net of preferred distributions | $(143,148) | $88,700 | $149,527 | $68,650 | $204,318 |
| Discontinued operations | — | — | — | — | 46 |
| Net income (loss) attributable to common unitholders | $(143,148) | $88,700 | $149,527 | $68,650 | $204,364 |
| Distributions per unit | $0.71 | $1.03 | $1.09 | $1.09 | $1.03 |

(1) Please refer to Notes 4, 6 and 16 to the consolidated financial statements for a description of acquisitions, joint venture transactions and impairment charges that have impacted the comparability of the financial information presented.

| | December 31, | | | | |
|---|---|---|---|---|---|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| BALANCE SHEET DATA: | | | | | |
| Net investment in real estate assets | $4,785,526 | $5,156,835 | $5,520,539 | $5,857,953 | $5,947,175 |
| Total assets | 5,341,217 | 5,705,168 | 6,104,997 | 6,840,430 | 6,599,600 |
| Mortgage and other indebtedness, net | 4,043,180 | 4,230,845 | 4,465,294 | 4,710,628 | 4,683,333 |
| Redeemable interests | 3,575 | 8,835 | 17,996 | 25,330 | 37,559 |
| Total partners' capital | 1,020,347 | 1,227,067 | 1,329,076 | 1,395,162 | 1,541,533 |
| Noncontrolling interests | 12,111 | 9,701 | 12,103 | 4,876 | 8,908 |
| Total capital | 1,032,458 | 1,236,768 | 1,341,179 | 1,400,038 | 1,550,441 |

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| OTHER DATA: | | | | | |
| Cash flows provided by (used in): | | | | | |
| Operating activities | $377,242 | $430,405 | $468,577 | $495,022 | $468,063 |
| Investing activities | (27,469) | (75,812) | 9,988 | (265,306) | (239,735) |
| Financing activities | (360,433) | (351,482) | (485,075) | (236,246) | (260,768) |

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the consolidated financial statements and accompanying notes that are included in this annual report. Capitalized terms used, but not defined, in this Management's Discussion and Analysis of Financial Condition and Results of Operations have the same meanings as defined in the notes to the consolidated financial statements.

Executive Overview

We are a self-managed, self-administered, fully integrated REIT that is engaged in the ownership, development, acquisition, leasing, management and operation of regional shopping malls, open-air and mixed-use centers, outlet centers, associated centers, community centers and office properties. Our shopping centers are located in 26 states, but are primarily in the southeastern and midwestern United States. We have elected to be taxed as a REIT for federal income tax purposes.

We conduct substantially all of our business through the Operating Partnership. The Operating Partnership consolidates the financial statements of all entities in which it has a controlling financial interest or where it is the primary beneficiary of a VIE. See Item 1. Business for a description of the number of Properties owned and under development as of December 31, 2018.

We had a net loss for the year ended December 31, 2018 of $99.2 million as compared to net income of $159.0 million in the prior-year period, which was primarily due to a $103.1 million increase in non-cash impairment losses primarily related to four malls. Same-center NOI (see below) decreased 6.0% as compared to the prior-year period. Stabilized mall same-center sales per square foot increased to $377 for the current year from $375 for the prior-year period. Diluted earnings per share ("EPS") attributable to common shareholders was ($0.72) per diluted share for the year ended December 31, 2018 as compared to $0.44 per diluted share for the prior-year period. FFO, as adjusted, per diluted share (see below) decreased 16.8% for the year ended December 31, 2018 to $1.73 per diluted share as compared to $2.08 per diluted share in the prior-year period.

2018 was a challenging year for us as the bankruptcy filings of Bon-Ton and Sears contributed to over 40 announced anchor closures. The rent loss from these vacant anchors as well as other rent reductions and store closures related to bankrupt or struggling small shop tenants has significantly impacted our current income stream. In the long term, these closures provide us the opportunity to repurpose the space and provide more dynamic and vibrant uses, such as entertainment, dining and other non-apparel tenants, which attract today's consumers. In 2018, over 67% of our total new leasing was executed with non-apparel tenants.

Average leasing spreads for comparable space under 10,000 square feet in our stabilized malls were down 10.8% for leases signed in 2018, including a 12.5% decrease in renewal lease rates and a 1.7% decrease for new leases. Average annual base rents for our same-center malls pool also decreased to $25.02 as of December 31, 2018 compared to $26.22 for the prior-year period.

In addition to an active redevelopment program, we replaced our unsecured credit facilities and unsecured term loans with a new $1.185 billion secured facility with 16 banks that closed in January 2019, which provides us the flexibility to execute on our operational and redevelopment goals. See Liquidity and Capital Resources section for more information. We are optimistic that the strategies in place to redevelop our Properties and diversify our tenant mix will contribute to stabilization of our portfolio and revenues in future years.

Same-center NOI and FFO are non-GAAP measures. For a description of same-center NOI, a reconciliation from net income to same-center NOI, and an explanation of why we believe this is a useful performance measure, see Non-GAAP Measure - Same-center Net Operating Income in "Results of Operations." For a description of FFO and FFO, as adjusted, a reconciliation from net income attributable to common shareholders to FFO allocable to Operating Partnership common unitholders, and an explanation of why we believe this is a useful performance measure, see Non-GAAP Measure - Funds from Operations within the "Liquidity and Capital Resources" section.

## Results of Operations

### Comparison of the Year Ended December 31, 2018 to the Year Ended December 31, 2017

Properties that were in operation for the entire year during both 2018 and 2017 are referred to as the "2018 Comparable Properties." Since January 1, 2017, we have opened one outlet center development, one self-storage facility and one community center as follows:

| Property | Location | Date Opened |
|---|---|---|
| The Outlet Shoppes at Laredo (1) | Laredo, TX | April 2017 |
| EastGate Mall - CubeSmart Self-storage (2) | Cincinnati, OH | September 2018 |
| The Shoppes at Eagle Point (2) | Cookeville, TN | November 2018 |

(1) The Outlet Shoppes at Laredo is a 65/35 joint venture.

(2) A 50/50 joint venture that is accounted for using the equity method of accounting and is included in equity in earnings of unconsolidated affiliates in the accompanying consolidated statements of operations.

The Outlet Shoppes at Laredo is included in our operations on a consolidated basis and is referred to as the "2018 New Property."

Revenues

| | Total for the Year Ended December 31, | | | Comparable Properties | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | Change | Core | Non-core | New | Dispositions | Change |
| Minimum rents | $588,007 | $624,161 | $(36,154) | $(19,843) | $(2,157) | $740 | $(14,894) | $(36,154) |
| Percentage rents | 11,759 | 11,874 | (115) | 230 | (46) | 8 | (307) | (115) |
| Other rents [(1)] | 12,034 | 19,008 | (6,974) | (6,429) | (344) | (34) | (167) | (6,974) |
| Tenant reimbursements [(1)] | 217,313 | 254,552 | (37,239) | (32,475) | (1,843) | 856 | (3,777) | (37,239) |
| | 829,113 | 909,595 | (80,482) | (58,517) | (4,390) | 1,570 | (19,145) | (80,482) |
| Management, development and leasing fees | 10,542 | 11,982 | (1,440) | (1,440) | — | — | — | (1,440) |
| Other [(1)] | 18,902 | 5,675 | 13,227 | 13,571 | 225 | (294) | (275) | 13,227 |
| Total revenues | $858,557 | $927,252 | $(68,695) | $(46,386) | $(4,165) | $1,276 | $(19,420) | $(68,695) |

(1) In 2018, common area maintenance revenues from anchor-owned spaces and outparcels that are owned by others were reclassified from tenant reimbursements to other revenues as part of the adoption of ASC 606. Also, in conjunction with the adoption of ASC 606 in 2018, marketing revenues were reclassified from other rents to other revenues.

Minimum rents and tenant reimbursements from the Comparable Properties declined in 2018 primarily due to store closures and rent concessions for tenants with high occupancy cost levels, including tenants that declared bankruptcy in 2017 and 2018.

Our cost recovery ratio was 89.4% for 2018 compared to 97.7% for 2017. The decline was primarily driven by lower occupancy and the bankruptcy activity as noted above. The comparability of the ratio is also negatively impacted by the industry trend to move to gross leases.

The decrease in management, development and leasing fees of $1.4 million was primarily due to terminated contracts for three malls owned by third parties, which we had been managing, that were sold to new owners.

The increase in other revenues includes $6.3 million of marketing revenues, which upon the adoption of the new revenue guidance (see Note 3 to the condensed consolidated financial statements) were classified under other revenues. For 2017, these revenues were included in other rents in the condensed consolidated statements of operations. Also, $8.4 million of the increase relates to common area maintenance revenues from anchor-owned spaces and outparcels that are owned by others. For 2017, these revenues were classified as tenant reimbursements.

Operating Expenses

| | Total for the Year Ended December 31, | | | Comparable Properties | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2018 | 2017 | Change | Core | Non-core | New | Dispositions | Change |
| Property operating | $122,017 | $128,030 | $(6,013) | $(2,972) | $(103) | $907 | $ (3,845) | $(6,013) |
| Real estate taxes | 82,291 | 83,917 | (1,626) | (2,145) | 647 | 793 | (921) | (1,626) |
| Maintenance and repairs | 48,304 | 48,606 | (302) | 1,335 | 20 | 63 | (1,720) | (302) |
| Property operating expenses | 252,612 | 260,553 | (7,941) | (3,782) | 564 | 1,763 | (6,486) | (7,941) |
| Depreciation and amortization | 285,401 | 299,090 | (13,689) | (3,469) | (3,959) | 1,603 | (7,864) | (13,689) |
| General and administrative | 61,506 | 58,466 | 3,040 | 3,102 | 1 | (43) | (20) | 3,040 |
| Loss on impairment | 174,529 | 71,401 | 103,128 | 101,000 | (12,211) | — | 14,339 | 103,128 |
| Other | 787 | 5,180 | (4,393) | (4,393) | — | — | — | (4,393) |
| Total operating expenses | $774,835 | $694,690 | $80,145 | $92,458 | $(15,605) | $3,323 | $ (31) | $80,145 |

Property operating expenses of the Comparable Properties declined in 2018 primarily due to reductions in utilities, payroll, security and marketing expenses, which were partially offset by an increase in bad debt expense. Real estate

taxes of the Comparable Properties declined primarily due to reduced property taxes at several Properties. These



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declines were partially offset by an increase in maintenance and repairs expense primarily due to an increase in snow removal and parking area expenses.

The $3.5 million decrease in depreciation and amortization expense of the Comparable Properties is primarily attributable to a decline of $6.9 million due to a higher level of write-offs of tenant improvements and in-place lease assets in the prior-year period related to store closures as a result of tenant bankruptcies, partially offset by an increase in depreciation expense related to capital expenditures for redevelopments and deferred maintenance.

General and administrative expenses increased $3.0 million as compared to the prior-year period primarily due to expense related to the retirement of our Chief Operating Officer and higher legal expenses.

During 2018, we recognized impairments of real estate of $174.5 million primarily to write down the book value of four malls and undeveloped land. See Note 16 to the consolidated financial statements for additional information on these impairments.

Other expenses decreased $4.4 million due to a reduction in abandoned projects expense.

Other Income and Expenses

Interest and other income increased $0.2 million in 2018 compared to the prior-year period primarily due to an increase in corporate interest income. In addition, insurance proceeds slightly increased due to claims resulting from properties impacted by Hurricane Florence.

Interest expense increased $1.4 million in 2018 compared to the prior-year period. The increase was primarily due to an additional $18.8 million in corporate-level interest expense related to an additional $225.0 million of senior unsecured notes that were issued in September 2017, as well as using our credit lines to retire higher-rate secured debt. This increase was partially offset by a decrease of $17.9 million in lower property-level interest expense related to the retirement of the higher-rate secured debt and property dispositions.

The income tax benefit of $1.6 million in 2018 relates to the Management Company, which is a taxable REIT subsidiary, and consists of a current tax provision of $1.3 million and a deferred tax benefit of $2.9 million. The income tax benefit of $1.9 million in 2017 consists of a current tax benefit of $6.4 million and a deferred tax provision of $4.5 million.

Equity in earnings of unconsolidated affiliates decreased by $8.3 million during 2018. The decrease is primarily attributable to a $1.0 million loss on impairment related to our 10% investment in an unconsolidated affiliate, as described in Note 6, and decreases in base rent, percentage rent and tenant reimbursements at several properties primarily due to store closures and rent concessions for tenants with high occupancy cost levels, including tenants in bankruptcy.

In 2018, we recognized $19.0 million of gain on sales of real estate assets including $7.5 million for the sale of four operating properties and $11.5 million related to the sale of 12 outparcels. In 2017, we recognized a $93.8 million gain on sales of real estate assets, which related to the sale of an outlet center and 12 outparcels

Comparison of the Year Ended December 31, 2017 to the Year Ended December 31, 2016

Properties that were in operation for the entire year during both 2017 and 2016 are referred to as the “2017 Comparable Properties.” Since January 1, 2016, we have opened one community center development and one outlet center development as follows:

| Property | Location | Date Opened |
|---|---|---|
| Ambassador Town Center [(1)] | Lafayette, LA | April 2016 |
| The Outlet Shoppes at Laredo [(2)] | Laredo, TX | April 2017 |

(1) Ambassador Town Center is a 65/35 joint venture that is accounted for using the equity method of accounting and is included in equity in earnings of unconsolidated affiliates in the accompanying consolidated statements of operations.

(2) The Outlet Shoppes at Laredo is a 65/35 joint venture.

The Outlet Shoppes at Laredo is referred to as the "2017 New Property" in the following discussion.

Revenues

| | Total for the Year Ended December 31, | | | Comparable Properties | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | Change | Core | Non-core | New | Dispositions | Change |
| Minimum rents | $624,161 | $670,565 | $(46,404) | $(11,395) | $(525) | $4,564 | $(39,048) | $(46,404) |
| Percentage rents | 11,874 | 17,803 | (5,929) | (4,920) | 48 | — | (1,057) | (5,929) |
| Other rents | 19,008 | 23,110 | (4,102) | (2,752) | (68) | 117 | (1,399) | (4,102) |
| Tenant reimbursements | 254,552 | 280,438 | (25,886) | (9,806) | (307) | 2,002 | (17,775) | (25,886) |
| | 909,595 | 991,916 | (82,321) | (28,873) | (852) | 6,683 | (59,279) | (82,321) |
| Management, development and leasing fees | 11,982 | 14,925 | (2,943) | (2,943) | — | — | — | (2,943) |
| Other | 5,675 | 21,416 | (15,741) | (403) | (4) | 1,042 | (16,376) | (15,741) |
| Total revenues | $927,252 | $1,028,257 | $(101,005) | $(32,219) | $(856) | $7,725 | $(75,655) | $(101,005) |

The decrease in rental revenues of the 2017 Comparable Properties consists of a $26.2 million decrease related to our core Properties and a $3.5 million decrease attributable to non-core Properties. The decline in rental revenues and tenant reimbursements was primarily due to store closures and rental reductions related to tenants that filed bankruptcy as well as a decrease in percentage rents due to a decline in tenant sales.

Our cost recovery ratio was 97.7% for 2017 compared to 99.6% for 2016. The 2017 cost recovery ratio was lower due to a decline in tenant reimbursements as a result of store closures and rental reductions related to tenants that filed bankruptcy.

The decrease in management, development and leasing fees of $2.9 million was due to a $1.8 million decrease in management fees, development fees and leasing commissions as a result of terminated contracts for three malls owned by third parties that were sold to new owners, which we had been managing and two leasing agreements which ended in 2016. Additionally, we received $1.0 million in the prior-year period from financing fees related to loans secured by two malls and two community centers.

In the fourth quarter of 2016 the Company's interest in the subsidiary that provided security and maintenance services to third parties was purchased by its joint venture partner. The Company's exit from this joint venture drove the majority of the decrease in other revenues of $15.7 million. See Note 9 to the consolidated financial statements for more information.

Operating Expenses

| | Total for the Year Ended December 31, | | | Comparable Properties | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2017 | 2016 | Change | Core | Non-core | New | Dispositions | Change |
| Property operating | $128,030 | $137,760 | $(9,730) | $3,098 | $105 | $2,609 | $(15,542) | $(9,730) |
| Real estate taxes | 83,917 | 90,110 | (6,193) | 1,000 | — | 986 | (8,179) | (6,193) |
| Maintenance and repairs | 48,606 | 53,585 | (4,979) | (621) | (101) | 206 | (4,463) | (4,979) |
| Property operating expenses | 260,553 | 281,455 | (20,902) | 3,477 | 4 | 3,801 | (28,184) | (20,902) |
| Depreciation and amortization | 299,090 | 292,693 | 6,397 | 23,833 | (275) | 3,480 | (20,641) | 6,397 |
| General and administrative | 58,466 | 63,332 | (4,866) | (4,886) | (1) | — | 21 | (4,866) |
| Loss on impairment | 71,401 | 116,822 | (45,421) | 25,126 | 42,364 | — | (112,911) | (45,421) |
| Other | 5,180 | 20,326 | (15,146) | 5,124 | — | — | (20,270) | (15,146) |
| Total operating expenses | $694,690 | $774,628 | $(79,938) | $52,674 | $42,092 | $7,281 | $(181,985) | $(79,938) |

The increase in property operating expenses attributable to the 2017 Comparable Properties was primarily due to increases in real estate taxes and bad debt expense, partially offset by a decrease in snow removal costs.

The $23.5 million increase attributable to the 2017 Comparable Properties includes $12.1 million of depreciation and amortization expense related to the Sears and Macy's buildings, which were acquired in the first quarter of 2017, in addition to an increase of $6.1 million in tenant improvement write-offs related to store closures.

General and administrative expenses decreased $4.9 million as compared to the prior-year period. General and administrative expenses for 2017 include $0.1 million of expense related to litigation settlements. General and administrative expenses for 2016 include $2.3 million of non-recurring professional fees expense (which represent one-time expenses that are not part of our normal operations) related to the 2016 completed SEC investigation and $2.6 million of expense related to litigation settlements. Excluding the impact of these items, general and administrative expenses decreased approximately $0.1 million as compared to the prior year. The $0.1 million decrease was primarily due to an increase in capitalized overhead related to development projects and a decrease in payroll and related expenses, partially offset by increases in information technology and stock-based compensation.

During 2017, we recognized impairments of real estate of $71.4 million primarily to write down the book value of two malls. During 2016, we recorded impairments of real estate of $116.8 million to write down the book value of nine malls, an associated center, a community center, three office buildings and three outparcels. See Note 16 to the consolidated financial statements for additional information on these impairments.

Other expenses decreased $15.1 million due to a $20.2 million decrease from the divestiture of our interest, in the fourth quarter of 2016, in our subsidiary that provided security and maintenance services to third parties, which was partially offset by a $5.1 million increase in abandoned projects expense.

Other Income and Expenses

Interest and other income increased $0.2 million in 2017 compared to the prior-year period primarily due to $0.9 million received in the current year as an insurance reimbursement for nonrecurring professional fees expense (which represent one-time expenses that are not part of our normal operations) related to the completed SEC investigation that occurred in 2016. This increase was partially offset by a $0.6 million decrease in interest income.

Interest expense increased $2.4 million in 2017 compared to the prior-year period. Our corporate-level interest expense increased by $30.0 million primarily due to the issuance of the 2026 Notes, of which $400.0 million were issued in December 2016 and $225.0 million were issued in September 2017, and the $85.0 million net additional borrowings on our unsecured term loans in July 2017. This increase was mostly offset by a decrease of $26.1 million related to property-level debt that was retired and $1.5 million related to ongoing amortization.

During 2017, we recorded a $30.9 million gain on extinguishment of debt which primarily consisted of a $39.8 million gain related to the conveyance of three malls to the respective lenders in satisfaction of the non-recourse debt secured by the properties. This was partially offset by an $8.9 million loss related to prepayment fees for the early retirement of debt on mortgage loans secured by two malls. See Note 5 and Note 7 to the consolidated financial statements for more information.

During 2017, we recognized a $6.2 million loss on investment related to the disposition of our 25% interest in an unconsolidated joint venture. See Note 6 to the consolidated financial statements for additional information. In 2016, we recognized a gain on investments of $7.5 million which consisted of a $10.1 million gain from the redemption of our remaining investment in a Chinese real estate company, partially offset by a $2.6 million loss attributable to the divestiture of our subsidiary that provided maintenance and security services to third parties.

The income tax benefit of $1.9 million in 2017 relates to the Management Company, which is a taxable REIT subsidiary, and consists of a current tax benefit of $6.4 million and a deferred tax provision of $4.5 million. The income tax provision of $2.1 million in 2016 consists of a current and deferred tax benefit of $1.2 million and $0.9 million, respectively.

Equity in earnings of unconsolidated affiliates decreased by $94.6 million during 2017. The decrease is primarily attributable to gains on sales of real estate assets of $97.4 million, at our share, primarily related to the disposal of interests in two malls, two community centers and four office buildings in the prior-year period.

In 2017, we recognized a $93.8 million gain on sales of real estate assets, primarily related to the sale of an outlet center and 12 outparcels. In 2016, we recognized a $29.6 million gain on sales of real estate assets, which consisted primarily of $27.4 million related to the sale of a community center, an outparcel project at an outlet center and 18 outparcels and $2.2 million attributable to a parking deck project.

## Non-GAAP Measure

### Same-center Net Operating Income

NOI is a supplemental non-GAAP measure of the operating performance of our shopping centers and other Properties. We define NOI as property operating revenues (rental revenues, tenant reimbursements and other income) less property operating expenses (property operating, real estate taxes and maintenance and repairs).

We compute NOI based on the Operating Partnership's pro rata share of both consolidated and unconsolidated Properties. We believe that presenting NOI and same-center NOI (described below) based on our Operating Partnership's pro rata share of both consolidated and unconsolidated Properties is useful since we conduct substantially all of our business through our Operating Partnership and, therefore, it reflects the performance of the Properties in absolute terms regardless of the ratio of ownership interests of our common shareholders and the noncontrolling interest in the Operating Partnership. Our definition of NOI may be different than that used by other companies, and accordingly, our calculation of NOI may not be comparable to that of other companies.

Since NOI includes only those revenues and expenses related to the operations of our shopping center Properties, we believe that same-center NOI provides a measure that reflects trends in occupancy rates, rental rates, sales at the malls and operating costs and the impact of those trends on our results of operations. Our calculation of same-center NOI excludes lease termination income, straight-line rent adjustments, and amortization of above and below market lease intangibles in order to enhance the comparability of results from one period to another.

We include a Property in our same-center pool when we have owned all or a portion of the Property since January 1 of the preceding calendar year and it has been in operation for both the entire preceding calendar year ended December 31, 2017 and the current year ended December 31, 2018. New Properties are excluded from same-center NOI, until they meet this criteria. Properties excluded from the same-center pool, which would otherwise meet this criteria, are Properties that are being repositioned or Properties where we are considering alternatives for repositioning, where we intend to renegotiate the terms of the debt secured by the related Property or return the Property to the lender. Acadiana Mall, Cary Town Center and Triangle Town Center were classified as Lender Malls as of December 31, 2018. As of December 31, 2018, Hickory Point Mall was classified as a Repositioning Mall.

Due to the exclusions noted above, same-center NOI should only be used as a supplemental measure of our performance and not as an alternative to GAAP operating income (loss) or net income (loss). A reconciliation of our same-center NOI to net income (loss) for the years ended December 31, 2018 and 2017 is as follows (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Net income (loss) | $(99,229) | $158,982 |
| Adjustments: [1] | | |
| Depreciation and amortization | 318,658 | 328,237 |
| Interest expense | 237,892 | 236,701 |
| Abandoned projects expense | 787 | 5,180 |
| Gain on sales of real estate assets, net of noncontrolling interests' share | (20,608) | (67,354) |
| Gain on extinguishment of debt, net of noncontrolling interests' share | — | (33,902) |
| Loss on investment | — | 6,197 |
| Loss on impairment | 174,529 | 71,401 |
| Income tax benefit | (1,551) | (1,933) |
| Lease termination fees | (10,105) | (4,036) |
| Straight-line rent and above- and below-market rent | 3,387 | (4,396) |
| Net (income) loss attributable to noncontrolling interests in other consolidated subsidiaries | 973 | (25,390) |
| General and administrative expenses | 61,506 | 58,466 |
| Management fees and non-property level revenues | (14,143) | (14,115) |
| Operating Partnership's share of property NOI | 652,096 | 714,038 |

| | Year Ended December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Non-comparable NOI | (26,582 ) | (48,420 ) |
| Total same-center NOI | $625,514 | $665,618 |

(1) Adjustments are based on our Operating Partnership's pro rata ownership share, including our share of unconsolidated affiliates and excluding noncontrolling interests' share of consolidated Properties.

Same-center NOI decreased $40.1 million for the year ended December 31, 2018 compared to 2017. The NOI decline of 6.0% for 2018 was driven by revenue declines of $41.7 million, primarily driven by a $40.7 million decline in minimum rents and tenant reimbursements due to lost rent related to retailer bankruptcies and rent reductions for certain struggling retailers. Other rents and other income declined $1.3 million during the period while percentage rents increased $0.3 million. Negative leasing spreads of 10.8% for our Stabilized Mall portfolio contributed to the decline in rents. Additionally, average annual base rents for our same-center Malls were relatively flat at $32.59 as of December 31, 2018 compared to $32.52 in 2017. Operating expenses decreased $1.8 million for the year ended December 31, 2018 as compared to 2017. The decrease was primarily due to decreases of $2.5 million in property operating expense and $2.1 million in real estate tax expense which were partially offset by an increase of $2.8 million in maintenance and repairs expense.

Operational Review

The shopping center business is, to some extent, seasonal in nature with tenants typically achieving the highest levels of sales during the fourth quarter due to the holiday season, which generally results in higher percentage rents in the fourth quarter. Additionally, the malls earn most of their rents from short-term tenants during the holiday period. Thus, occupancy levels and revenue production are generally the highest in the fourth quarter of each year. Results of operations realized in any one quarter may not be indicative of the results likely to be experienced over the course of the fiscal year.

We derive the majority of our revenues from the Mall Properties. The sources of our revenues by property type were as follows:

| | Year Ended December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Malls | 91.2% | 91.5% |
| Other Properties | 8.8% | 8.5% |

Mall Store Sales

Mall store sales include reporting mall tenants of 10,000 square feet or less for Stabilized Malls and exclude license agreements, which are retail contracts that are temporary or short-term in nature and generally last more than three months but less than twelve months. The following is a comparison of our same-center sales per square foot for Mall tenants of 10,000 square feet or less:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2018 | 2017 | % Change |
| Stabilized mall same-center sales per square foot | $377 | $375 | 0.5% |
| Stabilized mall sales per square foot | $377 | $372 | 1.3% |

Occupancy

Our portfolio occupancy is summarized in the following table [1]:

| | As of December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Total portfolio | 93.1% | 93.2% |
| Malls: | | |
| Total Mall portfolio | 91.8% | 92.0% |
| Same-center Malls | 92.1% | 92.2% |
| Stabilized Malls | 92.1% | 92.1% |
| Non-stabilized Malls [2] | 76.7% | 88.4% |
| Other Properties: | 97.4% | 97.4% |
| Associated centers | 97.4% | 97.9% |
| Community centers | 97.2% | 96.8% |

(1) As noted in Item 2. Properties, excluded Properties are not included in occupancy metrics.

(2) Represents occupancy for The Outlet Shoppes at Laredo as of December 31, 2018 and occupancy for The Outlet Shoppes of the Bluegrass and The Outlet Shoppes at Atlanta as of December 31, 2017.

Bankruptcy-related store closures impacted fourth quarter occupancy by approximately 70 basis points or 128,000 square feet. Occupancy for 2019 will be impacted by the recent bankruptcy filings of Gymboree, Charlotte Russe, Things Remembered and Payless ShoeSource. The impact of estimated closures related to these filings include approximately 137 stores or 377,000 square feet in total. Lost gross annual rent from these closures is estimated to be approximately $12.7 million, with an additional $5.5 million of gross annual rent at risk if the 29 remaining Charlotte Russe stores in our portfolio are closed should the company liquidate rather than reorganize. We are working to find replacement tenants for these locations.

Leasing

The following is a summary of the total square feet of leases signed in the year ended December 31, 2018 as compared to the prior-year period:

| | Year Ended December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Operating portfolio: | | |
| New leases | 1,131,057 | 1,105,529 |
| Renewal leases | 2,627,560 | 2,389,216 |
| Development portfolio: | | |
| New leases | 441,594 | 379,661 |
| Total leased | 4,200,211 | 3,874,406 |

Average annual base rents per square foot are computed based on contractual rents in effect as of December 31, 2018 and 2017, including the impact of any rent concessions. Average annual base rents per square foot for comparable small shop space of less than 10,000 square feet were as follows for each Property type [1]:

| | December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Malls: | | |
| Same-center Stabilized Malls | $32.59 | $32.52 |
| Stabilized Malls | 32.59 | 32.56 |
| Non-stabilized Malls [2] | 25.02 | 26.22 |

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| | December 31, | |
|---|---|---|
| | 2018 | 2017 |
| Other Properties: | 15.29 | 15.09 |
| Associated centers | 13.82 | 13.85 |
| Community centers | 16.72 | 15.79 |
| Office buildings | 17.22 | 19.11 |

(1) As noted in Item 2. Properties, excluded Properties are not included in base rent. Average base rents for associated centers, community centers and office buildings include all leased space, regardless of size.

(2) Represents average annual base rents for The Outlet Shoppes at Laredo as of December 31, 2018 and average annual base rents for The Outlet Shoppes of the Bluegrass and The Outlet Shoppes at Laredo as of December 31, 2017.

Results from new and renewal leasing of comparable small shop space of less than 10,000 square feet during the year ended December 31, 2018 for spaces that were previously occupied, based on the contractual terms of the related leases inclusive of the impact of any rent concessions, are as follows:

| Property Type | Square Feet | Prior Gross Rent PSF | New Initial Gross Rent PSF | % Change Initial | New Average Gross Rent PSF [2] | % Change Average |
|---|---|---|---|---|---|---|
| All Property Types [1] | 2,269,270 | $39.87 | $35.19 | (11.7)% | $ 35.72 | (10.4)% |
| Stabilized Malls | 2,174,298 | 40.46 | 35.57 | (12.1)% | 36.10 | (10.8)% |
| New leases | 310,858 | 45.28 | 42.14 | (6.9)% | 44.52 | (1.7)% |
| Renewal leases | 1,863,440 | 39.65 | 34.48 | (13.0)% | 34.70 | (12.5)% |

(1) Includes Stabilized Malls, associated centers, community centers and other.

(2) Average gross rent does not incorporate allowable future increases for recoverable CAM expenses.

New and renewal leasing activity of comparable small shop space of less than 10,000 square feet for the year ended December 31, 2018 based on commencement date is as follows:

| | Number of Leases | Square Feet | Term (in years) | Initial Rent PSF | Average Rent PSF | Expiring Rent PSF | Initial Rent Spread | | Average Rent Spread | |
|---|---|---|---|---|---|---|---|---|---|---|
| Commencement 2018: | | | | | | | | | | |
| New | 134 | 331,512 | 7.11 | $40.29 | $ 42.38 | $ 41.70 | $(1.41) | (3.4 )% | $0.68 | 1.6 % |
| Renewal | 524 | 1,579,158 | 2.84 | 34.21 | 34.63 | 40.45 | (6.24 ) | (15.4)% | (5.82 ) | (14.4)% |
| Commencement 2018 Total | 658 | 1,910,670 | 3.71 | 35.27 | 35.97 | 40.67 | (5.40 ) | (13.3)% | (4.70 ) | (11.6)% |
| | | | | | | | | | | |
| Commencement 2019: | | | | | | | | | | |
| New | 28 | 73,396 | 7.88 | 39.74 | 42.03 | 42.03 | (2.29 ) | (5.4 )% | $— | — % |
| Renewal | 210 | 772,318 | 2.84 | 28.48 | 28.68 | 32.49 | (4.01 ) | (12.3)% | (3.81 ) | (11.7)% |
| Commencement 2019 Total | 238 | 845,714 | 3.43 | 29.45 | 29.83 | 33.32 | (3.87 ) | (11.6)% | (3.49 ) | (10.5)% |
| | | | | | | | | | | |
| Total 2018/2019 | 896 | 2,756,384 | 3.63 | $33.48 | $ 34.09 | $ 38.41 | $(4.93) | (12.8)% | $(4.32) | (11.2)% |

Negative lease spreads are expected to continue in the near term. However, we are optimistic that the 2018 positive sales trends will lead to improved lease negotiations as the year progresses. We continue to work on the diversification of our tenant mix and have executed over 67% of new leasing with non-apparel tenants in 2018. We are currently

under construction, have executed agreements or are in active negotiations with a variety of uses including dining, entertainment, hotels, multi-family and other non-retail users.

Liquidity and Capital Resources

In January 2019, we closed on our new secured $1.185 billion bank facility which recast our existing lines of credit and term loans. This financing achieved a number of important goals for us including the elimination of a large facility fee, simplification of our covenants to align with the covenants on our senior unsecured notes, and addressing all our unsecured debt maturities through July 2023. The new facility consists of a $685 million secured line of credit and a $500 million secured term loan. At closing, we utilized our new line of credit to reduce the principal balance on our unsecured term loans from $695 million to $500 million. The principal balance on the term loan will be reduced by $35 million per year in quarterly installments. The facility matures in July 2023 and bears interest at a variable rate of LIBOR plus 225 basis points. The annual facility fee, to be paid quarterly, ranges from 0.25% to 0.35%, based on the unused capacity of the line of credit. The facility is secured by a portfolio of the Company's Properties consisting of 17 Malls and 3 Associated Centers and contains customary provisions upon which the Properties may be released from the collateral securing the facility. We have included pro forma covenants, as well as pro forma metrics on the unencumbered pool, in the debt section that follows.

Additionally in January 2019, we completed the sale of Cary Towne Center and the transfer of Acadiana Mall and expect to recognize an aggregate gain on extinguishment of the related $163.5 million in debt of approximately $73.6 million in the first quarter of 2019. Our total pro rata share of debt as of December 31, 2018 was $4.7 billion, a reduction of approximately $105 million from year-end 2017. We expect to use excess cash flow and proceeds from dispositions to continue to reduce the balance over time.

We derive a majority of our revenues from leases with retail tenants, which have historically been the primary source for funding short-term liquidity and capital needs such as operating expenses, debt service, tenant construction allowances, recurring capital expenditures, dividends and distributions. We believe that the combination of cash flows generated from our operations, combined with our debt and equity sources and the availability under our credit facilities will, for the foreseeable future, provide adequate liquidity to meet our cash needs. In addition to these factors, we have options available to us to generate additional liquidity, including but not limited to, debt and equity offerings, joint venture investments, net proceeds from dispositions, issuances of noncontrolling interests in our Operating Partnership, and decreasing expenditures related to tenant construction allowances and other capital expenditures. We also generate revenues from sales of peripheral land at our Properties and from sales of real estate assets when it is determined that we can realize an optimal value for the assets.

Cash Flows - Operating, Investing and Financing Activities

There was $57.5 million of cash, cash equivalents and restricted cash as of December 31, 2018, a decrease of $10.7 million from December 31, 2017. Of this amount, $25.1 million was unrestricted cash as of December 31, 2018. Our net cash flows are summarized as follows (in thousands):

| | Year Ended December 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | Change | 2017 | 2016 | Change |
| Net cash provided by operating activities | $377,242 | $430,397 | $(53,155) | $430,397 | $468,579 | $(38,182) |
| Net cash provided by (used in) investing activities | (27,469 ) | | | | | |