REGENCY CENTERS CORP
Form 10-K
February 18, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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, 2015
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 Number 1-12298 (Regency Centers Corporation)
Commission File Number 0-24763 (Regency Centers, L.P.)

REGENCY CENTERS CORPORATION
REGENCY CENTERS, L.P.
(Exact name of registrant as specified in its charter)

FLORIDA (REGENCY CENTERS CORPORATION)	59-3191743
DELAWARE (REGENCY CENTERS, L.P.)	59-3429602
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Independent Drive, Suite 114 Jacksonville, Florida 32202	(904) 598-7000
(Address of principal executive offices) (zip code)	(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value	New York Stock Exchange
6.625% Series 6 Cumulative Redeemable Preferred Stock, $.01 par value	New York Stock Exchange
6.000% Series 7 Cumulative Redeemable Preferred Stock, $.01 par value	New York Stock Exchange

Regency Centers, L.P.

Title of each class	Name of each exchange on which registered
None	N/A

Securities registered pursuant to Section 12(g) of the Act:
Regency Centers Corporation: None
Regency Centers, L.P.: Class B Units of Partnership Interest
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Regency Centers Corporation	YES x NO o	Regency Centers, L.P.	YES x NO o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

Regency Centers Corporation	YES o NO x	Regency Centers, L.P.	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.

Regency Centers Corporation	YES x NO o	Regency Centers, L.P.	YES x NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Regency Centers Corporation YES x NO o Regency Centers, L.P. 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.

Regency Centers Corporation o Regency Centers, L.P. o

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

Regency Centers Corporation:

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o

Regency Centers, L.P.:

Large accelerated filer	o	Accelerated filer	x
Non-accelerated filer	o	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Regency Centers Corporation YES o NO x Regency Centers, L.P. YES o NO x

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrants' most recently completed second fiscal quarter.

Regency Centers Corporation $5,455,675,538 Regency Centers, L.P. N/A

The number of shares outstanding of the Regency Centers Corporation’s voting common stock was 97,606,523 as of February 10, 2016.

Documents Incorporated by Reference

Portions of Regency Centers Corporation's proxy statement in connection with its 2016 Annual Meeting of Stockholders are incorporated by reference in Part III.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2015 of Regency Centers Corporation and Regency Centers, L.P. Unless stated otherwise or the context otherwise requires, references to "Regency Centers Corporation" or the "Parent Company" mean Regency Centers Corporation and its controlled subsidiaries; and references to "Regency Centers, L.P." or the "Operating Partnership" mean Regency Centers, L.P. and its controlled subsidiaries. The term "the Company", "Regency Centers" or "Regency" means the Parent Company and the Operating Partnership, collectively.

The Parent Company is a real estate investment trust ("REIT") and the general partner of the Operating Partnership. The Operating Partnership's capital includes general and limited common Partnership Units ("Units"). As of December 31, 2015, the Parent Company owned approximately 99.8% of the Units in the Operating Partnership and the remaining limited Units are owned by investors. The Parent Company owns all of the Series 6 and 7 Preferred Units of the Operating Partnership. As the sole general partner of the Operating Partnership, the Parent Company has exclusive control of the Operating Partnership's day-to-day management.

The Company believes combining the annual reports on Form 10-K of the Parent Company and the Operating Partnership into this single report provides the following benefits:

- Enhances investors' understanding of the Parent Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- Eliminates duplicative disclosure and provides a more streamlined and readable presentation; and
- Creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

Management operates the Parent Company and the Operating Partnership as one business. The management of the Parent Company consists of the same individuals as the management of the Operating Partnership. These individuals are officers of the Parent Company and employees of the Operating Partnership.

The Company believes it is important to understand the few differences between the Parent Company and the Operating Partnership in the context of how the Parent Company and the Operating Partnership operate as a consolidated company. The Parent Company is a REIT, whose only material asset is its ownership of partnership interests of the Operating Partnership. As a result, the Parent Company does not conduct business itself, other than acting as the sole general partner of the Operating Partnership, issuing public equity from time to time and guaranteeing certain debt of the Operating Partnership. The Parent Company does not hold any indebtedness, but guarantees all of the unsecured public debt and approximately 21% of the secured debt of the Operating Partnership. The Operating Partnership holds all the assets of the Company and retains the ownership interests in the Company's joint ventures. Except for net proceeds from public equity issuances by the Parent Company, which are contributed to the Operating Partnership in exchange for partnership units, the Operating Partnership generates all remaining capital required by the Company's business. These sources include the Operating Partnership's operations, its direct or indirect incurrence of indebtedness, and the issuance of partnership units.

Stockholders' equity, partners' capital, and noncontrolling interests are the main areas of difference between the consolidated financial statements of the Parent Company and those of the Operating Partnership. The Operating Partnership's capital includes general and limited common Partnership Units, as well as Series 6 and 7 Preferred Units owned by the Parent Company. The limited partners' units in the Operating Partnership owned by third parties are accounted for in partners' capital in the Operating Partnership's financial statements and outside of stockholders' equity in noncontrolling interests in the Parent Company's financial statements. The Series 6 and 7 Preferred Units owned by the Parent Company are eliminated in consolidation in the accompanying consolidated financial statements of the Parent Company and are classified as preferred units of general partner in the accompanying consolidated financial statements of the Operating Partnership.

In order to highlight the differences between the Parent Company and the Operating Partnership, there are sections in this report that separately discuss the Parent Company and the Operating Partnership, including separate financial statements, controls and procedures sections, and separate Exhibit 31 and 32 certifications. In the sections that

combine disclosure for the Parent Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company.

As general partner with control of the Operating Partnership, the Parent Company consolidates the Operating Partnership for financial reporting purposes, and the Parent Company does not have assets other than its investment in the Operating Partnership. Therefore, while stockholders' equity and partners' capital differ as discussed above, the assets and liabilities of the Parent Company and the Operating Partnership are the same on their respective financial statements.

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Forward-Looking Statements

In addition to historical information, information in this Form 10-K contains forward-looking statements as defined under federal securities laws. These forward-looking statements include statements about anticipated changes in our revenues, the size of our development and redevelopment program, earnings per share and unit, returns and portfolio value, and expectations about our liquidity. These statements are based on current expectations, estimates and projections about the real estate industry and markets in which the Company operates, and management's beliefs and assumptions. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Known risks and uncertainties are described further in the Item 1A. Risk Factors below. The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto of Regency Centers Corporation and Regency Centers, L.P. appearing elsewhere herein. We do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or uncertainties after the date hereof or to reflect the occurrence of uncertain events.

PART I

Item 1. Business

Regency Centers began its operations as a publicly-traded REIT in 1993, and currently owns direct or partial interests in 318 shopping centers, the majority of which are grocery-anchored community and neighborhood centers. Our centers are located in the top markets of 27 states and the District of Columbia, and contain 38.0 million square feet of gross leasable area ("GLA"). Our pro-rata share of this GLA is 28.4 million square feet. All of our operating, investing, and financing activities are performed through the Operating Partnership, its wholly-owned subsidiaries, and through its co-investment partnerships.

Our mission is to be the best-in-class grocery-anchored shopping center owner and developer through:

- First-rate performance of our exceptionally merchandised and located national portfolio;
- Value-enhancing services of the best team of professionals in the business; and
- Creation of superior growth in shareholder value.

Our strategy is to:

- Sustain average annual 3% net operating income (“NOI”) growth from a high-quality, growing portfolio of thriving community and neighborhood shopping centers;
- Develop new, and redevelop existing, high quality shopping centers at attractive returns on investment from a disciplined development program;
- Cost-effectively enhance our already strong balance sheet to reduce our cost of capital, provide financial flexibility and weather economic downturns; and
- Engage a talented and dedicated team that operates efficiently and is recognized as a leader in the real estate industry with respect to development and operating capabilities, customer relationships, operating and technology systems, and environmental sustainability.

We expect to execute our strategy as follows:

Sustain average annual 3% NOI growth from a high-quality, growing portfolio of thriving community and neighborhood shopping centers:

- Own and develop centers that are located at key corners in our nation’s most attractive metro areas;
- Target trade areas characterized by their strong demographics and consumer buying power, and draw shoppers to our centers with highly productive anchor tenants;
- Attract the best national, regional and local retailers and restaurants;

- Pursue initiatives that reinforce the underlying quality of our portfolio and maximize long-term growth such as "Fresh Look®," an operating philosophy that guides our merchandising and place-making programs;
- Fortify future NOI growth by rigorously reviewing our portfolio to identify low growth assets for disposition; and
- Opportunistically upgrade our portfolio by acquiring high quality shopping centers with meaningful upside in NOI growth funded from the sale of low growth assets.

Develop new, and redevelop existing, high quality shopping centers at attractive returns on investment from a disciplined development program:

- Maintain and grow our existing presence in our key markets with in-house expertise and anchor relationships;
- Develop shopping centers located in desirable infill markets for long-term ownership;
- Anchor developments with dominant, national and regional chains and high volume specialty grocers;
- Limit size of program to manage total development exposure and risk;
- Create additional value through redevelopment of existing centers to benefit the operating portfolio; and

- Fund development program primarily from the sale of low-growth assets in the existing portfolio.

Cost-effectively enhance an already strong balance sheet to reduce our cost of capital, provide financial flexibility and weather economic downturns:

- Prudently access our multiple sources of debt and equity through the capital markets and co-investment partnerships;
- Fund development and acquisitions from free cash flow, a disciplined match-funding strategy of selling low growth assets, and accessing favorably priced equity;
- Further reduce leverage when appropriate through organic growth in earnings and accessing the capital markets;
- Rigorously manage our $800 million line of credit and maintain substantial uncommitted capacity;
- Maintain a large pool of unencumbered assets and excellent relationships with mortgage lenders; and
- Maintain a well laddered debt maturity profile.

Engage a talented and dedicated team that operates efficiently and is recognized as a leader in the real estate industry with respect to development and operating capabilities, customer relationships, operating and technology systems, and environmental sustainability:

- Reflect our values by executing and successfully meeting our commitments to our people and our communities, a tradition we have embraced for over 50 years;
- Foster a values-based culture, offering a comprehensive benefits package and an engaging workplace environment;
- Uphold unwavering standards of honesty and integrity and build our reputation by maintaining the highest ethical principles;
- Offer a challenging, safe and dynamic work environment and support the professional development and personal life of each employee;
- Encourage employees to achieve their personal health goals through a robust wellness program focused on education, awareness and prevention; and
- Contribute to the betterment of our communities by supporting philanthropic programs with employee contribution matching and paid volunteer time.

Environmental Sustainability

We recognize the importance of operating in a sustainable manner and are committed to reducing our environmental impact, including energy and water use, greenhouse gas emissions, and waste. We are committed to transparency with regard to our sustainability performance, risks and opportunities, and will continue to increase disclosure using industry accepted reporting frameworks. We believe our commitment to environmental sustainability supports the Company in achieving key strategic objectives, leads to better risk management, enhances our relationships with key stakeholders, and is in the best interest of our shareholders.

Competition

We are among the largest owners of shopping centers in the nation based on revenues, number of properties, gross leasable area ("GLA"), and market capitalization. There are numerous companies and individuals engaged in the ownership, development, acquisition, and operation of shopping centers that compete with us in our targeted markets, including grocery store chains that also anchor some of our shopping centers. This results in competition for attracting anchor tenants, as well as the acquisition of existing shopping centers and new development sites. We believe that our competitive advantages are driven by:

- our locations within our market areas;
- the design and high quality of our shopping centers;
- the strong demographics surrounding our shopping centers;

- our relationships with our anchor tenants and our side-shop and out-parcel retailers;
- our practice of maintaining and renovating our shopping centers; and
- our ability to source and develop new shopping centers.

Employees

Our corporate headquarters are located at One Independent Drive, Suite 114, Jacksonville, Florida. We presently maintain 18 market offices nationwide, where we conduct management, leasing, construction, and investment activities. We have 371 employees and we believe that our relations with our employees are good.

Compliance with Governmental Regulations

Under various federal, state and local laws, ordinances and regulations, we may be liable for the cost to remove or remediate certain hazardous or toxic substances at our shopping centers. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of the hazardous or toxic substances. The cost of required remediation and the owner's liability for remediation could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or lease the property or borrow using the property as collateral. Although we have a number of properties that could require or are currently undergoing varying levels of environmental remediation, known environmental remediation is not currently expected to have a material financial impact on us due to insurance programs designed to mitigate the cost of remediation, various state-regulated programs that shift the responsibility and cost to the state, and existing accrued liabilities for remediation.

Executive Officers

Our executive officers are appointed each year by our Board of Directors. Each of our executive officers has been employed by us in the position indicated in the list or notes below for more than five years.

Name	Age	Title	Executive Officer in Position Shown Since
Martin E. Stein, Jr.	63	Chairman and Chief Executive Officer	1993
Lisa Palmer	48	President and Chief Financial Officer	2016 (1)
Dan M. Chandler, III	49	Executive Vice President of Development	2016 (2)
James D. Thompson	60	Executive Vice President of Operations	2016 (3)

(1) Ms. Palmer assumed the responsibilities of President, effective January 1, 2016 in addition to her responsibilities as Chief Financial Officer, which she has held since January 2013. Prior to that, Ms. Palmer served as Senior Vice President of Capital Markets since 2003 and has been with the Company since 1996.
(2) Mr. Chandler assumed the role of Executive Vice President of Development on January 1, 2016 and previously served as our Managing Director - West since 2009 and has been with the Company since 2009.
(3) Mr. Thompson assumed the role of Executive Vice President of Operations on January 1, 2016 and previously served as our Managing Director - East since our initial public offering in 1993. Prior to that time, Mr. Thompson served as Executive Vice President of our predecessor real estate division beginning in 1981.

Company Website Access and SEC Filings

Our website may be accessed at www.regencycenters.com. All of our filings with the Securities and Exchange Commission ("SEC") can be accessed free of charge through our website promptly after filing; however, in the event that the website is inaccessible, we will provide paper copies of our most recent annual report on Form 10-K, the most recent quarterly report on Form 10-Q, current reports filed or furnished on Form 8-K, and all related amendments, excluding exhibits, free of charge upon request. These filings are also accessible on the SEC's website at www.sec.gov.

General Information

Our registrar and stock transfer agent is Broadridge Corporate Issuer Solutions, Inc. ("Broadridge"), Philadelphia, PA. We offer a dividend reinvestment plan ("DRIP") that enables our stockholders to reinvest dividends automatically, as well as to make voluntary cash payments toward the purchase of additional shares. For more information, contact

Broadridge toll free at (855) 449-0975 or our Shareholder Relations Department at (904) 598-7000.

Our independent registered public accounting firm is KPMG LLP, Jacksonville, Florida. Our legal counsel is Foley & Lardner LLP, Jacksonville, Florida.

Annual Meeting

Our annual meeting will be held at The Ponte Vedra Inn & Club, 200 Ponte Vedra Blvd, Ponte Vedra Beach, Florida, at 8:30 a.m. on Friday, April 29, 2016.

Defined Terms

The following terms, as defined, are commonly used by management and the investing public to understand and evaluate our operational results:

- Net Operating Income ("NOI") is calculated as total property revenues (minimum rent, percentage rents, and recoveries from tenants and other income) less direct property operating expenses (operating and maintenance and real estate taxes) from the properties owned by us, and excludes corporate-level income (including management, transaction, and other fees), for the entirety of the periods presented.

- Same Property information is provided for operating properties that were owned and operated for the entirety of both calendar year periods being compared and excludes Non-Same Properties and Properties in Development.

- A Non-Same Property is a property acquired, sold, or development property completed during either calendar year period being compared.

- Property In Development is a property owned and intended to be developed, including partially operating properties acquired specifically for redevelopment and excluding land held for future development.

- Development Completion is a project in development that is deemed complete upon the earliest of: (i) 90% of total estimated net development costs have been incurred and percent leased equals or exceeds 95%, or (ii) percent leased equals or exceeds 90% and the project features at least one year of anchor operations, or (iii) the project features at least two years of anchor operations, or (iv) three years have passed since the start of construction. Once deemed complete, the property is termed an Operating Property.

- Same Property NOI includes NOI for Same Properties, but excludes straight-line rental income, net of reserves, above and below market rent amortization, banking charges, and other fees. Same Property NOI is a key measure used by management in evaluating the performance of our properties. The Company also provides disclosure of Same Property NOI excluding termination fees, which excludes both termination fee income and expenses.

- Pro-Rata information includes 100% of our consolidated properties plus our ownership interest in our unconsolidated real estate investment partnerships.

- NAREIT Funds from Operations ("NAREIT FFO") is a commonly used measure of REIT performance, which the National Association of Real Estate Investment Trusts ("NAREIT") defines as net income, computed in accordance with GAAP, excluding gains and losses from sales of depreciable property, net of tax, excluding operating real estate impairments, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We compute NAREIT FFO for all periods presented in accordance with NAREIT's definition. Many companies use different depreciable lives and methods, and real estate values historically fluctuate with market conditions. Since NAREIT FFO excludes depreciation and amortization and gains and losses from depreciable property dispositions, and impairments, it provides a performance measure that, when compared year over year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, acquisition and development activities, and financing costs. This provides a perspective of our financial performance not immediately apparent from net income determined in accordance with GAAP. Thus, NAREIT FFO is a supplemental non-GAAP financial measure of our operating performance, which does not represent cash generated from operating activities in accordance with GAAP and therefore, should not be considered an alternative for cash flow as a measure of liquidity.

- Core FFO is an additional performance measure used by Regency as the computation of NAREIT FFO includes certain non-cash and non-comparable items that affect the Company's period-over-period performance. Core FFO

excludes from NAREIT FFO, but is not limited to: (a) transaction related gains, income or expense; (b) impairments on land; (c) gains or losses from the early extinguishment of debt; and (d) other non-core amounts as they occur. The Company provides a reconciliation of NAREIT FFO to Core FFO.

Item 1A. Risk Factors

Risk Factors Related to Our Industry and Real Estate Investments

A shift in retail shopping from brick and mortar stores to internet sales may have an adverse impact on our revenues and cash flow.

Many retailers operating brick and mortar stores have made Internet sales a vital piece of their business. Although many of the retailers in our shopping centers either provide services or sell groceries, such that their customer base does not have a tendency toward online shopping, the shift to internet sales may adversely impact our retail tenants' sales causing those retailers to adjust the size or number of retail locations in the future. This shift could adversely impact our occupancy and rental rates, which would impact our revenues and cash flows.

Downturns in the retail industry likely will have a direct adverse impact on our revenues and cash flow.

Our properties consist primarily of grocery-anchored shopping centers. Our performance therefore is generally linked to economic conditions in the market for retail space. The market for retail space could be adversely affected by any of the following:

- Weakness in the national, regional and local economies, which could adversely impact consumer spending and retail sales and in turn tenant demand for space and lead to increased store closings;
- Adverse financial conditions for grocery and retail anchors;
- Continued consolidation in the retail sector;
- Excess amount of retail space in our markets;
- Reduction in the demand by tenants to occupy our shopping centers as a result of reduced consumer demand for certain retail categories;
- The growth of super-centers and warehouse club retailers, such as those operated by Wal-Mart and Costco, and their adverse effect on traditional grocery chains;
- The impact of changing energy costs on consumers and its consequential effect on retail spending; and
- Consequences of any armed conflict involving, or terrorist attack against, the United States.

To the extent that any of these conditions occur, they are likely to impact market rents for retail space, occupancy in the operating portfolios, our ability to sell, acquire or develop properties, and our cash available for distributions to stock and unit holders.

Our revenues and cash flow could be adversely affected if economic or market conditions deteriorate where our properties are geographically concentrated, which may impede our ability to generate sufficient income to pay expenses and maintain our properties.

The economic conditions in markets in which our properties are concentrated greatly influence our financial performance. During the year ended December 31, 2015, our properties in California, Florida, and Texas accounted for 30.4%, 12.1%, and 10.3%, respectively, of our net operating income from Consolidated Properties plus our pro-rata share from Unconsolidated Properties ("pro-rata basis"). Our revenues and cash available to pay expenses, maintain our properties, and for distributions to stock and unit holders could be adversely affected by this geographic concentration if market conditions, such as supply of or demand for retail space, deteriorate in California, Florida, or Texas relative to other geographic areas.

Our success depends on the success and continued presence of our “anchor” tenants.

Anchor tenants (those occupying 10,000 square feet or more) occupy large amounts of square footage, pay a significant portion of the total rents at a property and contribute to the success of other tenants by drawing significant numbers of customers to a property. We derive significant revenues from anchor tenants such as Kroger, Publix, and Albertsons/Safeway, who accounted for 4.7%, 3.7%, and 2.9%, respectively, of our total annualized base rent on a pro-rata basis, for the year ended December 31, 2015. Our net income could be adversely affected by the loss of revenues in the event a significant tenant:

- Becomes bankrupt or insolvent;
- Experiences a downturn in its business;
- Materially defaults on its leases;
- Does not renew its leases as they expire; or
- Renews at lower rental rates.

Some anchors have the right to vacate and prevent re-tenanting by paying rent for the balance of the lease term. Vacated anchor space, including space owned by the anchor, can reduce rental revenues generated by the shopping center because of the loss of the departed anchor tenant's customer drawing power. If a significant tenant vacates a property, co-tenancy clauses in select centers may allow other tenants to modify or terminate their rent or lease obligations. Co-tenancy clauses have several variants: they may allow a tenant to postpone a store opening if certain other tenants fail to open their stores; they may allow a tenant to close its store prior to lease expiration if another tenant closes its store prior to lease expiration; or more commonly, they may allow a tenant to pay reduced levels of rent until a certain number of tenants open their stores within the same shopping center.

A significant percentage of our revenues are derived from smaller shop tenants and our net income could be adversely impacted if our smaller shop tenants are not successful.

A significant percentage of our revenues are derived from smaller shop tenants (those occupying less than 10,000 square feet). Smaller shop tenants may be more vulnerable to negative economic conditions as they have more limited resources than larger tenants. Such tenants continue to face increasing competition from non-store retailers and growing e-commerce. In addition, some of these retailers may seek to reduce their store sizes as they increasingly rely on alternative distribution channels, including internet sales, and adjust their square footage needs accordingly. The types of smaller shop tenants vary from retail shops to service providers. If we are unable to attract the right type or mix of smaller shop tenants into our centers, our net income could be adversely impacted.

We may be unable to collect balances due from tenants in bankruptcy.

Although minimum rent is supported by long-term lease contracts, tenants who file bankruptcy have the legal right to reject any or all of their leases and close related stores. In the event that a tenant with a significant number of leases in our shopping centers files bankruptcy and rejects its leases, we could experience a significant reduction in our revenues and may not be able to collect all pre-petition amounts owed by that party.

Our real estate assets may be subject to impairment charges.

Our long-lived assets, primarily real estate held for investment, are carried at cost unless circumstances indicate that the carrying value of the assets may not be recoverable. We evaluate whether there are any indicators, including property operating performance and general market conditions, that the value of the real estate properties (including any related amortizable intangible assets or liabilities) may not be recoverable. Through the evaluation, we compare the current carrying value of the asset to the estimated undiscounted cash flows that are directly associated with the use and ultimate disposition of the asset. Our estimated cash flows are based on several key assumptions, including rental rates, costs of tenant improvements, leasing commissions, anticipated holding periods, and assumptions regarding the residual value upon disposition, including the exit capitalization rate. These key assumptions are subjective in nature and could differ materially from actual results. Changes in our disposition strategy or changes in the marketplace may alter the holding period of an asset or asset group, which may result in an impairment loss and such loss could be material to the Company's financial condition or operating performance. To the extent that the carrying value of the asset exceeds the estimated undiscounted cash flows, an impairment loss is recognized equal to the excess of carrying value over fair value.

The fair value of real estate assets is subjective and is determined through comparable sales information and other market data if available, or through use of an income approach such as the direct capitalization method or the traditional discounted cash flow approach. Such cash flow projections consider factors, including expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors, and therefore are subject to management judgment. Changes in those factors could impact the determination of fair value. In estimating the fair value of undeveloped land, we generally use market data and comparable sales information.

These subjective assessments have a direct impact on our net income because recording an impairment charge results in an immediate negative adjustment to net income. There can be no assurance that we will not take additional charges in the future related to the impairment of our assets. Any future impairment could have a material adverse effect on our net income in the period in which the charge is taken.

Adverse global market and economic conditions could cause us to recognize impairment charges or otherwise harm our performance.

We are unable to predict the timing, severity, and length of adverse market and economic conditions. Adverse market and economic conditions may impede our ability to generate sufficient operating cash flow to pay expenses, maintain properties, pay distributions to our stock and unit holders, and refinance debt. During adverse periods, there may be significant uncertainty in the valuation of our properties and investments that could result in a substantial decrease in their value. No

assurance can be given that we would be able to recover the current carrying amount of all of our properties and investments in the future. Our failure to do so would require us to recognize impairment charges for the period in which we reached that conclusion, which could materially and adversely affect us and the market price of our common stock.

Unsuccessful development activities or a slowdown in development activities could have a direct impact on our revenues, revenue growth, and/or net income.

We actively pursue development opportunities. Development activities require various government and other approvals for entitlements and any delay in such approvals may significantly delay the development process. We may not recover our investment in development projects for which approvals are not received. We incur other risks associated with development activities, including:

- The risk that we may be unable to lease developments to full occupancy on a timely basis;
- The risk that occupancy rates and rents of a completed project will not be sufficient to make the project profitable;
- The risk that development costs of a project may exceed original estimates, possibly making the project unprofitable;
- The risk that delays in the development and construction process could increase costs;
- The risk that we may abandon development opportunities and lose our investment in such opportunities;
- The risk that the size of our development pipeline will strain our capacity to complete the developments within the targeted timelines and at the expected returns on invested capital;
- Changes in the level of future development and redevelopment activity could have an adverse impact on operating results by reducing the amount of capitalizable internal costs for development projects; and
- The lack of cash flow during the construction period.

If we expand into new markets, we may not be successful, which could adversely affect our financial condition, results of operations and cash flows.

If opportunities arise, we may acquire properties in new markets. Each of the risks applicable to our ability to acquire and integrate successfully and operate properties in our current markets is also applicable in new markets. In addition, we may not possess the same level of familiarity with the dynamics and market conditions of the new markets we may enter, which could adversely affect the results of our expansion into those markets, and we may be unable to achieve our desired return on our investments in new markets. If we are unsuccessful in expanding into new markets, it could adversely affect our financial condition, results of operations and cash flows.

Our acquisition activities may not produce the returns that we expect.

Our investment strategy includes investing in high-quality shopping centers that are leased to market-dominant grocers, category-leading anchors, specialty retailers, or restaurants located in areas with high barriers to entry and above average household incomes and population densities. The acquisition of properties and/or companies entails risks that include, but are not limited to, the following, any of which could adversely affect our results of operations and our ability to meet our obligations:

- Properties we acquire may fail to achieve the occupancy or rental rates we project, within the time frames we estimate, which may result in the properties' failure to achieve the returns we projected;
- Our pre-acquisition evaluation of the physical condition of each new investment may not detect certain defects or identify necessary repairs until after the property is acquired, which could significantly increase our total acquisition costs or decrease cash flow from the property;
- Our investigation of a company, property or building prior to our acquisition, and any representations we may receive from such seller, may fail to reveal various liabilities, which could reduce the cash flow from the acquisition or

increase our acquisition costs;

- Our estimate of the costs to improve, reposition or redevelop a property may prove to be too low, or the time we estimate to complete the improvement, repositioning or redevelopment may be too short, either of which could result in the property failing to achieve the returns we have projected, either temporarily or for a longer time;
- We may not recover our costs from an unsuccessful acquisition;
- Our acquisition activities may distract our management and generate significant costs; and
- We may not be able to integrate an acquisition into our existing operations successfully.

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We may experience difficulty or delay in renewing leases or re-leasing space.

We derive most of our revenue from rent received from our tenants. We are subject to the risks that, upon expiration or termination of leases, leases for space in our properties may not be renewed, space may not be re-leased, or the terms of renewal or re-lease, including the cost of required renovations or concessions to tenants, may be less favorable than current lease terms. As a result, our results of operations and our net income could be adversely impacted.

We may be unable to sell properties when appropriate because real estate investments are illiquid.

Real estate investments generally cannot be sold quickly. Our inability to respond promptly to unfavorable changes in the performance of our investments could have an adverse effect on our ability to meet our obligations and make distributions to our stock and unit holders.

A number of properties in our portfolio are subject to ground leases; if we are found to be in breach of a ground lease or are unable to renew a ground lease, we could be materially and adversely affected.

We have properties in our portfolio that are either completely or partially on land subject to ground leases with third parties. Accordingly, we only own long-term leasehold or similar interest in those properties. If we are found to be in breach of a ground lease, we could lose our interest in the improvements and the right to operate the property that is subject to the ground lease. In addition, unless we can purchase a fee interest in the underlying land or extend the terms of these leases before or at their expiration, as to which no assurance can be given, we will lose our interest in the improvements and the right to operate such properties. The existing lease terms, including renewal options, were taken into consideration when making our investment decisions. The purchase price and subsequent improvements are being depreciated over the shorter of the remaining life of the ground leases or the useful life of the underlying assets. If we were to lose the right to operate a property due to a breach or not exercising renewal options of the ground lease, we would be unable to derive income from such property, which would impair the value of our investments, and materially and adversely affect our financial condition, results of operations and cash flows.

Geographic concentration of our properties makes our business vulnerable to natural disasters and severe weather conditions, which could have an adverse effect on our cash flow and operating results.

A significant portion of our property gross leasable area is located in areas that are susceptible to earthquakes, tropical storms, hurricanes, tornadoes, wildfires, and other natural disasters. As of December 31, 2015, approximately 23.2%, 15.7%, and 10.5% of our property gross leasable area, on a pro-rata basis, was located in California, Florida, and Texas, respectively. Intense weather conditions during the last decade have caused our cost of property insurance to increase significantly. We recognize that the frequency and / or intensity of extreme weather events may continue to increase due to climate change, and as a result, our exposure to these events could increase. These weather conditions also disrupt our business and the business of our tenants, which could affect the ability of some tenants to pay rent and may reduce the willingness of residents to remain in or move to the affected area. Therefore, as a result of the geographic concentration of our properties, we face risks, including higher costs, such as uninsured property losses and higher insurance premiums, and disruptions to our business and the businesses of our tenants.

An uninsured loss or a loss that exceeds the insurance coverage on our properties could subject us to loss of capital or revenue on those properties.

We carry comprehensive liability, fire, flood, extended coverage, rental loss, and environmental insurance for our properties with policy specifications and insured limits customarily carried for similar properties. We believe that the insurance carried on our properties is adequate and consistent with industry standards. There are, however, some types

of losses, such as losses from hurricanes, terrorism, wars or earthquakes, for which the insurance levels carried may not be sufficient to fully cover catastrophic losses impacting multiple properties. In addition, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons or damage to personal or real property, on or off the premises, due to activities conducted by tenants or their agents on the properties (including without limitation any environmental contamination), and at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. However, our tenants may not properly maintain their insurance policies or have the ability to pay the deductibles associated with such policies. Should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, such properties, which could have a material adverse effect on our operating results and financial condition, as well as our ability to make distributions to stock and unit holders.

Loss of our key personnel could adversely affect our business and operations.

We depend on the efforts of our key executive personnel. Although we have developed a succession plan and believe qualified replacements could be found for our key executives, the loss of their services could adversely affect our business and operations.

We face competition from numerous sources, including other REITs and other real estate owners.

The ownership of shopping centers is highly fragmented. We face competition from other REITs and well capitalized institutional investors, as well as from numerous small owners in the acquisition, ownership, and leasing of shopping centers. We also compete to develop shopping centers with other REITs engaged in development activities as well as with local, regional, and national real estate developers. This competition may:

•reduce the number of properties available for acquisition or development;
•increase the cost of properties available for acquisition or development;
•hinder our ability to attract and retain tenants, leading to increased vacancy rates and/or reduced rents; and
•adversely affect our ability to minimize our expenses of operation.

If we cannot successfully compete in our targeted markets, our cash flow, and therefore distributions to stock and unit holders, may be adversely affected.

Costs of environmental remediation could reduce our cash flow available for distribution to stock and unit holders.

Under various federal, state and local laws, an owner or manager of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on the property. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of hazardous or toxic substances. The cost of any required remediation could exceed the value of the property and/or the aggregate assets of the owner or the responsible party. The presence of, or the failure to properly remediate, hazardous or toxic substances may adversely affect our ability to sell or lease a contaminated property or to use the property as collateral for a loan. Any of these developments could reduce cash flow and our ability to make distributions to stock and unit holders.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make unintended expenditures.

All of our properties are required to comply with the Americans with Disabilities Act ("ADA"), which generally requires that buildings be made accessible to people with disabilities. Compliance with ADA requirements could require removal of access barriers, and noncompliance could result in imposition of fines by the U.S. government or an award of damages to private litigants, or both. While the tenants to whom we lease properties are obligated by law to comply with the ADA provisions, and typically under tenant leases are obligated to cover costs associated with compliance, if required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these tenants to cover costs could be adversely affected. In addition, we are required to operate the properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental entities and become applicable to the properties. We may be required to make substantial capital expenditures to comply with these requirements, and these expenditures could have a material adverse effect on our ability to meet our financial obligations and make distributions to our stock and unit holders.

If we do not maintain the security of tenant-related information, we could incur substantial costs and become subject to litigation.

We receive certain information about our tenants that depends upon secure transmissions of confidential information over public networks, including information permitting cashless payments. A compromise of our security systems that results in information being obtained by unauthorized persons could result in litigation against us or the imposition of penalties and require us to expend significant resources related to our information security systems. Such disruptions could adversely affect our operations, results of operations, financial condition and liquidity.

We rely extensively on computer systems to process transactions and manage our business; cyber security attacks and other disruptions could harm our ability to run our business.

We face risks associated with security breaches, whether through (i) cyber attacks or cyber intrusions, (ii) malware or computer viruses and (iii) people with access or who gain access to our systems, and other significant disruptions of our computer networks and related systems. The risk of a security breach or disruption, particularly through cyber attack or cyber

intrusion, has increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Our computer networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations. Although we make efforts to maintain the security and integrity of our computer networks and related systems, and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. A security breach or other disruption involving our computer networks and related systems could significantly disrupt the proper functioning of our networks and systems and, as a result, disrupt our operations, which could have a material adverse effect on our liquidity, financial condition and results of operations.

Risk Factors Related to Our Co-investment Partnerships and Acquisition Structure

We do not have voting control over our joint venture investments, so we are unable to ensure that our objectives will be pursued.

We have invested substantial capital as a partner in a number of joint venture investments for the acquisition or development of properties. These investments involve risks not present in a wholly-owned project as we do not have voting control over the ventures, although we do have approval rights over major decisions. The other partner may (i) have interests or goals that are inconsistent with our interests or goals or (ii) otherwise impede our objectives. The other partner also may become insolvent or bankrupt. These factors could limit the return that we receive from such investments or cause our cash flows to be lower than our estimates.

The termination of our co-investment partnerships could adversely affect our cash flow, operating results, and our ability to make distributions to stock and unit holders.

If co-investment partnerships owning a significant number of properties were dissolved for any reason, we would lose the asset and property management fees from these co-investment partnerships, which could adversely affect our operating results and our cash available for distribution to stock and unit holders.

Risk Factors Related to Funding Strategies and Capital Structure

Higher market capitalization rates for our properties could adversely impact our ability to sell properties and fund developments and acquisitions, and could dilute earnings.

As part of our funding strategy, we sell operating properties that no longer meet our investment standards or those with a limited future growth profile. These sales proceeds are used to fund the construction of new developments, redevelopments and acquisitions. An increase in market capitalization rates could cause a reduction in the value of centers identified for sale, which would have an adverse impact on the amount of cash generated. In order to meet the cash requirements of our development program, we may be required to sell more properties than initially planned, which could have a negative impact on our earnings.

We depend on external sources of capital, which may not be available in the future on favorable terms or at all.

To qualify as a REIT, the Parent Company must, among other things, distribute to its stockholders each year at least 90% of its REIT taxable income (excluding any net capital gains). Because of these distribution requirements, we may not be able to fund all future capital needs with income from operations. We therefore will have to rely on third-party sources of capital, which may or may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of things, including the market's perception of our growth potential and our current and potential future earnings. Our access to debt depends on our credit rating, the willingness of creditors to lend to us and

conditions in the capital markets. In addition to finding creditors willing to lend to us, we are dependent upon our joint venture partners to contribute their pro rata share of any amount needed to repay or refinance existing debt when lenders reduce the amount of debt our joint ventures are eligible to refinance.

In addition, our existing debt arrangements also impose covenants that limit our flexibility in obtaining other financing, such as a prohibition on negative pledge agreements. Additional equity offerings may result in substantial dilution of stockholders' interests and additional debt financing may substantially increase our degree of leverage.

Without access to external sources of capital, we would be required to pay outstanding debt with our operating cash flows and proceeds from property sales. Our operating cash flows may not be sufficient to pay our outstanding debt as it comes due and real estate investments generally cannot be sold quickly at a return we believe is appropriate. If we are required to deleverage our business with operating cash flows and proceeds from property sales, we may be forced to reduce the amount of, or eliminate altogether, our distributions to stock and unit holders or refrain from making investments in our business.

Our debt financing may adversely affect our business and financial condition.

Our ability to make scheduled payments or to refinance our indebtedness will depend primarily on our future performance, which to a certain extent is subject to economic, financial, competitive and other factors beyond our control. In addition, we do not expect to generate sufficient funds from operations to make balloon principal payments on our debt when due. If we are unable to refinance our debt on acceptable terms, we may be forced (i) to dispose of properties, which might result in losses, or (ii) to obtain financing at unfavorable terms, either of which could reduce the cash flow available for distributions to stock and unit holders. If we cannot make required mortgage payments, the mortgagee could foreclose on the property securing the mortgage.

Covenants in our debt agreements may restrict our operating activities and adversely affect our financial condition.

Our unsecured notes, unsecured term loan, and unsecured line of credit contain customary covenants, including compliance with financial ratios, such as ratio of total debt to gross asset value and fixed charge coverage ratio. Fixed charge coverage ratio is defined as earnings before interest, taxes, depreciation and amortization ("EBITDA") divided by the sum of interest expense and scheduled mortgage principal paid to our lenders plus dividends paid to our preferred stockholders. Our debt arrangements also restrict our ability to enter into a transaction that would result in a change of control. These covenants may limit our operational flexibility and our acquisition activities. Moreover, if we breach any of the covenants in our debt agreements, and do not cure the breach within the applicable cure period, our lenders could require us to repay the debt immediately, even in the absence of a payment default. Many of our debt arrangements, including our unsecured notes, unsecured term loan, and unsecured line of credit are cross-defaulted, which means that the lenders under those debt arrangements can put us in default and require immediate repayment of their debt if we breach and fail to cure a default under certain of our other material debt obligations. As a result, any default under our debt covenants could have an adverse effect on our financial condition, our results of operations, our ability to meet our obligations, and the market value of our stock.

Increases in interest rates would cause our borrowing costs to rise and negatively impact our results of operations.

Although a significant amount of our outstanding debt has fixed interest rates, we do borrow funds at variable interest rates under our credit facilities. Increases in interest rates would increase our interest expense on any variable rate debt to the extent we have not hedged our exposure to changes in interest rates. In addition, increases in interest rates will affect the terms under which we refinance our existing debt as it matures, to the extent we have not hedged our exposure to changes in interest rates. This would reduce our future earnings and cash flows, which could adversely affect our ability to service our debt and meet our other obligations and also could reduce the amount we are able to distribute to our stock and unit holders.

Hedging activity may expose us to risks, including the risks that a counterparty will not perform and that the hedge will
not yield the economic benefits we anticipate, which could adversely affect us.

From time to time, we manage our exposure to interest rate volatility by using interest rate hedging arrangements that involve risk, such as the risk that counterparties may fail to honor their obligations under these arrangements, and that these
arrangements may not be effective in reducing our exposure to interest rate changes. There can be no assurance that our hedging arrangements will qualify for hedge accounting or that our hedging activities will have the desired beneficial impact on our results of operations. Should we desire to terminate a hedging agreement, there could be significant costs and cash requirements involved to fulfill our obligations under the hedging agreement. Failure to hedge effectively against interest rate changes may adversely affect our results of operations.

We may acquire properties or portfolios of properties through tax-deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell such assets.

We may acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership interests in our operating partnership, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to protect the contributors' ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties and/or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell an asset at a time, or on terms, that would be favorable absent such restrictions.

Risk Factors Related to the Market Price for Our Debt and Equity Securities

Changes in economic and market conditions could adversely affect the market price of our securities.

The market price of our debt and equity securities may fluctuate significantly in response to many factors, many of which are out of our control, including:

- Actual or anticipated variations in our operating results;
- Changes in our funds from operations or earnings estimates;
- Publication of research reports about us or the real estate industry in general and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REIT's;
- The ability of our tenants to pay rent and meet their other obligations to us under current lease terms and our ability to re-lease space as leases expire;
- Increases in market interest rates that drive purchasers of our stock to demand a higher dividend yield;
- Changes in market valuations of similar companies;
- Adverse market reaction to any additional debt we incur in the future;
- Any future issuances of equity securities;
- Additions or departures of key management personnel;
- Strategic actions by us or our competitors, such as acquisitions or restructurings;
- Actions by institutional stockholders;
- Changes in our dividend payments;
- Speculation in the press or investment community; and
- General market and economic conditions.

These factors may cause the market price of our securities to decline, regardless of our financial condition, results of operations, business or prospects. It is impossible to ensure that the market price of our securities, including our common stock, will not fall in the future. A decrease in the market price of our common stock could reduce our ability to raise additional equity in the public markets. Selling common stock at a decreased market price would have a dilutive impact on existing stockholders.

We cannot assure you we will continue to pay dividends at historical rates.

Our ability to continue to pay dividends at historical rates or to increase our dividend rate will depend on a number of factors, including, among others, the following:

- Our financial condition and results of future operations;
- The terms of our loan covenants; and
- Our ability to acquire, finance, develop or redevelop and lease additional properties at attractive rates.

If we do not maintain or periodically increase the dividend on our common stock, it could have an adverse effect on the market price of our common stock and other securities.

Changes in accounting standards may adversely impact our financial results.

The Financial Accounting Standards Board ("FASB"), in conjunction with the SEC, has several key projects on their agenda that could impact how we currently account for our material transactions, including lease accounting and other convergence projects with the International Accounting Standards Board. At this time, we are unable to predict with certainty which, if any, proposals may be passed or what level of impact any such proposal could have on the presentation of our consolidated financial statements, our results of operations and our financial ratios required by our

debt covenants.

Risk Factors Related to Federal Income Tax Laws

If the Parent Company fails to qualify as a REIT for federal income tax purposes, it would be subject to federal income tax at regular corporate rates.

We believe that the Parent Company qualifies for taxation as a REIT for federal income tax purposes, and we plan to operate so that we can continue to meet the requirements for taxation as a REIT. If the Parent Company continues to qualify as a REIT, it generally will not be subject to federal income tax on income that we distribute to our stockholders. Many REIT requirements, however, are highly technical and complex. The determination that the Parent Company is a REIT requires an

analysis of various factual matters and circumstances, some of which may not be totally within our control and some of which involve questions of interpretation. For example, to qualify as a REIT, at least 95% of our gross income must come from specific passive sources, like rent, that are itemized in the REIT tax laws. There can be no assurance that the Internal Revenue Service (“IRS”) or a court would agree with the positions we have taken in interpreting the REIT requirements. We are also required to distribute to our stockholders at least 90% of our REIT taxable income, excluding capital gains. The fact that we hold many of our assets through co-investment partnerships and their subsidiaries further complicates the application of the REIT requirements. Furthermore, Congress and the IRS might make changes to the tax laws and regulations, and the courts might issue new rulings, that make it more difficult, or impossible, for the Parent Company to remain qualified as a REIT.

Also, unless the IRS granted relief under certain statutory provisions, the Parent Company would remain disqualified as a REIT for four years following the year it first failed to qualify. If the Parent Company failed to qualify as a REIT (currently and/or with respect to any tax years for which the statute of limitations has not expired), we would have to pay significant income taxes, reducing cash available to pay dividends, which would likely have a significant adverse effect on the value of our securities. In addition, we would no longer be required to pay any dividends to stockholders. Although we believe that the Parent Company qualifies as a REIT, we cannot assure you that the Parent Company will continue to qualify or remain qualified as a REIT for tax purposes.

Even if the Parent Company qualifies as a REIT for federal income tax purposes, we are required to pay certain federal, state and local taxes on our income and property. For example, if we have net income from “prohibited transactions,” that income will be subject to a 100% tax. In general, prohibited transactions include sales or other dispositions of property held primarily for sale to customers in the ordinary course of business. The determination as to whether a particular sale is a prohibited transaction depends on the facts and circumstances related to that sale. While we have undertaken a significant number of asset sales in recent years, we do not believe that those sales should be considered prohibited transactions, but there can be no assurance that the IRS would not contend otherwise.

Dividends paid by REITs generally do not qualify for reduced tax rates.

Subject to limited exceptions, dividends paid by REITs (other than distributions designated as capital gain dividends or returns of capital) are not eligible for reduced rates for qualified dividends paid by "C" corporations and are taxable at ordinary income tax rates. The more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including the shares of our capital stock.

Foreign stockholders may be subject to U.S. federal income tax on gain recognized on a disposition of our common stock if we do not qualify as a "domestically controlled" REIT.

A foreign person disposing of a U.S. real property interest, including shares of a U.S. corporation whose assets consist principally of U.S. real property interests is generally subject to U.S. federal income tax on any gain recognized on the disposition. This tax does not apply, however, to the disposition of stock in a REIT if the REIT is "domestically controlled." In general, we will be a domestically controlled REIT if at all times during the five-year period ending on the applicable stockholder’s disposition of our stock, less than 50% in value of our stock was held directly or indirectly by non-U.S. persons. If we were to fail to qualify as a domestically controlled REIT, gain recognized by a foreign stockholder on a disposition of our common stock would be subject to U.S. federal income tax unless our common stock was traded on an established securities market and the foreign stockholder did not at any time during a specified testing period directly or indirectly own more than 10% of our outstanding common stock.

Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code limit our ability to hedge our liabilities. Generally, income from a hedging transaction we enter into either to manage risk of interest rate changes with respect to borrowings incurred or to be incurred to acquire or carry real estate assets, or to manage the risk of currency fluctuations with respect to any item of income or gain (or any property which generates such income or gain) that constitutes “qualifying income” for purposes of the 75% or 95% gross income tests applicable to REITs, does not constitute “gross income” for purposes of the 75% or 95% gross income tests, provided that we properly identify the hedging transaction pursuant to the applicable sections of the Code and Treasury Regulations. To the extent that we enter into other types of hedging transactions, or fail to make the proper tax identifications, the income from those transactions is likely to be treated as non-qualifying income for purposes of both gross income tests. As a result of these rules, we may need to limit our use of otherwise advantageous hedging techniques or implement those hedges through a taxable REIT subsidiary, or TRS. The use of a TRS could increase the cost of our hedging activities (because our TRS would be subject to tax on income or gain resulting from hedges entered into by it) or expose us to greater risks than we would

otherwise want to bear. In addition, net losses in a TRS will generally not provide any tax benefit except for being carried forward for use against future taxable income in the TRS.

Risk Factors Related to Our Ownership Limitations and the Florida Business Corporation Act

Restrictions on the ownership of the Parent Company's capital stock to preserve its REIT status could delay or prevent a change in control.

Ownership of more than 7% by value of our outstanding capital stock is prohibited, with certain exceptions, by the Parent Company's articles of incorporation, for the purpose of maintaining its qualification as a REIT. This 7% limitation may discourage a change in control and may also (i) deter tender offers for our capital stock, which offers may be attractive to our stockholders, or (ii) limit the opportunity for our stockholders to receive a premium for their capital stock that might otherwise exist if an investor attempted to assemble a block in excess of 7% of our outstanding capital stock or to affect a change in control.

The issuance of the Parent Company's capital stock could delay or prevent a change in control.

The Parent Company's articles of incorporation authorize our Board of Directors to issue up to 30,000,000 shares of preferred stock and 10,000,000 shares of special common stock and to establish the preferences and rights of any shares issued. The issuance of preferred stock or special common stock could have the effect of delaying or preventing a change in control. The provisions of the Florida Business Corporation Act regarding affiliated transactions could also deter potential acquisitions by preventing the acquiring party from consummating a merger or other extraordinary corporate transaction without the approval of our disinterested stockholders.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The following table is a list of the shopping centers, summarized by state and in order of largest holdings, presented for Consolidated Properties (excludes properties owned by unconsolidated co-investment partnerships):

Location	December 31, 2015							December 31, 2014						
	Number of Properties	GLA (in thousands)	Percent of Total GLA		Percent Leased			Number of Properties	GLA (in thousands)	Percent of Total GLA		Percent Leased		
California	42	5,619	24.1	%	95.6	%		43	5,692	24.5	%	95.4	%	
Florida	39	4,214	18.1	%	94.7	%		38	4,025	17.3	%	93.8	%	
Texas	22	2,716	11.7	%	97.6	%		21	2,689	11.5	%	96.1	%	
Georgia	15	1,392	6.0	%	92.9	%		15	1,390	6.0	%	93.5	%	
Colorado	15	1,266	5.4	%	91.3	%		15	1,266	5.5	%	90.7	%	
Ohio	8	1,164	5.0	%	98.6	%		9	1,307	5.6	%	98.8	%	
North Carolina	10	895	3.8	%	95.8	%		10	895	3.9	%	94.9	%	
Virginia	6	841	3.6	%	96.2	%		6	841	3.6	%	95.3	%	
Illinois	5	817	3.5	%	98.2	%		6	920	4.0	%	96.8	%	
Oregon	7	742	3.2	%	87.9	%		6	563	2.4	%	97.2	%	
Washington	5	606	2.6	%	98.7	%		5	606	2.6	%	99.8	%	
Massachusetts	3	516	2.2	%	96.1	%		3	519	2.2	%	92.5	%	
Missouri	4	408	1.8	%	100.0	%		4	408	1.8	%	100.0	%	
Tennessee	3	317	1.4	%	96.1	%		3	317	1.4	%	96.1	%	
Connecticut	3	315	1.4	%	96.3	%		3	315	1.4	%	96.8	%	
Pennsylvania	3	311	1.3	%	98.4	%		4	325	1.4	%	99.6	%	
Indiana	3	281	1.2	%	93.8	%		3	240	1.0	%	96.1	%	
Arizona	2	274	1.2	%	92.7	%		2	274	1.2	%	95.1	%	
Delaware	1	232	1.0	%	90.1	%		1	232	1.0	%	92.0	%	
Maryland	1	113	0.5	%	96.1	%		1	113	0.5	%	97.2	%	
Michigan	1	97	0.4	%	95.7	%		2	118	0.5	%	96.4	%	
Alabama	1	85	0.4	%	95.0	%		1	85	0.4	%	89.9	%	
South Carolina	1	59	0.3	%	100.0	%		1	60	0.3	%	100.0	%	
Total	200	23,280	100.0%		95.4%			202	23,200	100.0%		95.3%		

Certain Consolidated Properties are encumbered by mortgage loans of $501.9 million, excluding debt premiums and discounts, as of December 31, 2015.

The weighted average annual effective rent for the consolidated portfolio of properties, net of tenant concessions, is $18.95 and $18.30 per square foot ("PSF") as of December 31, 2015 and 2014, respectively.

The following table is a list of the shopping centers, summarized by state and in order of largest holdings, presented for Unconsolidated Properties (includes properties owned by unconsolidated co-investment partnerships):

Location	December 31, 2015				December 31, 2014			
	Number of Properties	GLA (in thousands)	Percent of Total GLA	Percent Leased	Number of Properties	GLA (in thousands)	Percent of Total GLA	Percent Leased
California	20	2,652	18.0%	98.7%	21	2,782	18.6%	97.5%
Virginia	19	2,645	17.9%	96.9%	19	2,643	17.6%	97.4%
Maryland	13	1,491	10.1%	92.5%	13	1,490	9.9%	93.6%
North Carolina	8	1,275	8.6%	97.6%	8	1,272	8.5%	95.2%
Illinois	7	944	6.4%	94.6%	8	1,067	7.1%	94.5%
Texas	7	932	6.3%	99.3%	7	934	6.2%	97.5%
Colorado	5	862	5.8%	92.9%	5	862	5.8%	92.8%
Florida	8	682	4.6%	97.4%	8	682	4.6%	97.5%
Minnesota	5	674	4.6%	98.3%	5	674	4.5%	99.3%
Pennsylvania	6	664	4.5%	88.7%	6	661	4.4%	90.1%
Washington	5	621	4.2%	97.0%	5	621	4.1%	95.5%
Connecticut	1	186	1.3%	98.8%	1	186	1.2%	99.8%
South Carolina	2	162	1.1%	100.0%	2	162	1.1%	98.5%
New Jersey	2	158	1.1%	95.7%	2	158	1.1%	94.5%
New York	1	141	1.0%	100.0%	1	141	0.9%	100.0%
Indiana	2	139	0.9%	100.0%	2	138	0.9%	92.3%
Wisconsin	1	133	0.9%	92.8%	1	133	0.9%	92.8%
Arizona	1	108	0.7%	87.4%	1	108	0.7%	93.4%
Oregon	1	93	0.6%	98.1%	1	93	0.6%	98.1%
Georgia	1	86	0.6%	100.0%	1	86	0.6%	100.0%
Delaware	1	67	0.5%	91.0%	1	67	0.4%	90.1%
Dist. of Columbia	2	40	0.3%	100.0%	2	40	0.3%	97.0%
Total	118	14,755	100.0%	96.3%	120	15,000	100.0%	96.0%

Certain Unconsolidated Properties are encumbered by mortgage loans of $1.4 billion, excluding debt premiums and discounts, as of December 31, 2015.

The weighted average annual effective rent for the unconsolidated portfolio of properties, net of tenant concessions, is $18.81 and $17.85 PSF as of December 31, 2015 and 2014, respectively.

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The following table summarizes the largest tenants occupying our shopping centers for Consolidated Properties plus our pro-rata share of Unconsolidated Properties, as of December 31, 2015, based upon a percentage of total annualized base rent exceeding or equal to 0.5% (GLA and dollars in thousands):

Tenant	GLA	Percent of Company Owned GLA	Annualized Base Rent	Percent of Annualized Base Rent	Number of Leased Stores	Anchor Owned Stores [1]
Kroger	2,490	8.8%	$ 24,886	4.7%	53	5
Publix	1,836	6.5%	19,345	3.7%	45	1
Albertsons/Safeway	1,374	4.8%	15,277	2.9%	42	7
Whole Foods	628	2.2%	12,091	2.3%	19	—
TJX Companies	778	2.7%	10,331	2.0%	36	—
CVS	485	1.7%	7,829	1.5%	44	—
PETCO	334	1.2%	7,294	1.4%	44	—
Ahold/Giant	419	1.5%	5,980	1.1%	13	—
H.E.B.	344	1.2%	5,439	1.0%	5	—
Ross Dress For Less	306	1.1%	4,949	0.9%	16	—
Trader Joe's	179	0.6%	4,920	0.9%	19	—
Wells Fargo Bank	82	0.3%	4,238	0.8%	39	—
Bank of America	84	0.3%	4,107	0.8%	30	—
JPMorgan Chase Bank	69	0.2%	4,037	0.8%	25	—
Starbucks	98	0.3%	3,976	0.8%	77	—
Nordstrom	138	0.5%	3,813	0.7%	4	—
Dick's Sporting Goods	267	0.9%	3,441	0.7%	5	—
Panera Bread	97	0.3%	3,227	0.6%	27	—
Sears Holdings	388	1.4%	3,069	0.6%	5	1
SUPERVALU	265	0.9%	3,055	0.6%	11	—
Wal-Mart	466	1.6%	3,026	0.6%	5	2
Subway	89	0.3%	2,991	0.6%	96	—
Sports Authority	134	0.5%	2,973	0.6%	3	—
Bed Bath & Beyond	175	0.6%	2,915	0.6%	6	—
Target	359	1.3%	2,907	0.6%	4	13

[1] Stores owned by anchor tenant that are attached to our centers.

Our leases for tenant space under 5,000 square feet generally have terms ranging from three to five years. Leases greater than 10,000 square feet generally have lease terms in excess of five years, mostly comprised of anchor tenants. Many of the anchor leases contain provisions allowing the tenant the option of extending the term of the lease at expiration. Our leases provide for the monthly payment in advance of fixed minimum rent, additional rents calculated as a percentage of the tenant's sales, the tenant's pro-rata share of real estate taxes, insurance, and common area maintenance (“CAM”) expenses, and reimbursement for utility costs if not directly metered.

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The following table summarizes pro-rata lease expirations for the next ten years and thereafter, for our Consolidated and Unconsolidated Properties, assuming no tenants renew their leases (GLA and dollars in thousands):

Lease Expiration Year	Number of Tenants with Expiring Leases	Pro-rata Expiring GLA	Percent of Total Company GLA	Minimum Rent Expiring Leases [2]	Percent of Minimum Rent [2]
(1)	228	192	0.7 %	$4,098	0.8 %
2016	879	2,056	7.6 %	40,640	7.8 %
2017	1,130	3,278	12.2 %	70,312	13.5 %
2018	983	2,930	10.9 %	58,840	11.3 %
2019	827	3,090	11.5 %	60,482	11.7 %
2020	901	3,009	11.2 %	62,398	12.0 %
2021	410	2,022	7.5 %	37,337	7.2 %
2022	273	1,732	6.4 %	28,983	5.6 %
2023	216	1,150	4.3 %	23,621	4.6 %
2024	251	1,577	5.8 %	30,067	5.8 %
2025	228	1,188	4.4 %	27,850	5.4 %
Thereafter	453	4,749	17.5 %	74,485	14.3 %
Total	6,779	26,973	100.0 %	$519,113	100.0 %

(1) Leases currently under month-to-month rent or in process of renewal.
(2) Minimum rent includes current minimum rent and future contractual rent steps, but excludes additional rent such as percentage rent, common area maintenance, real estate taxes and insurance reimbursements.

During 2016, we have a total of 879 leases expiring, representing 2.1 million square feet of GLA. These expiring leases have an average base rent of $19.77 PSF. The average base rent of new leases signed during 2015 was $25.79 PSF. During periods of recession or when occupancy is low, tenants have more bargaining power, which may result in rental rate declines on new or renewal leases. In periods of recovery and/or when occupancy levels are high, landlords have more bargaining power, which generally results in rental rate growth on new and renewal leases. Based on current economic trends and expectations, and pro-rata percent leased of 95.6%, we expect base rent on new and renewal leases during 2016 to exceed rental rates on leases expiring in 2016. Exceptions may arise in certain geographic areas or at specific shopping centers based on the local economic situation, competition, location, and size of the space being leased, among other factors. Additionally, significant changes or uncertainties affecting micro- or macroeconomic climates may cause significant changes to our current expectations.

See the following property table and also see Item 7, Management's Discussion and Analysis for further information about our Consolidated and Unconsolidated Properties.

Property Name	(1) CBSA	State	(2) Owner-ship Interest	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	(3) Pe Le
Shoppes at Fairhope Village	Mobile	AL		2008	2008	$—	85	95
Palm Valley Marketplace	Phoenix-Mesa-Scottsdale	AZ	20%	2001	1999	—	108	87
Pima Crossing	Phoenix-Mesa-Scottsdale	AZ		1999	1996	—	238	95
Shops at Arizona	Phoenix-Mesa-Scottsdale	AZ		2003	2000	—	36	72
4S Commons Town Center	San Diego-Carlsbad-San Marcos	CA	85%	2004	2004	62,500	240	98
Amerige Heights Town Center	Los Angeles-Long Beach-Santa Ana	CA		2000	2000	16,349	89	10
Balboa Mesa Shopping Center	San Diego-Carlsbad-San Marcos	CA		2012	2014	—	207	10
Bayhill Shopping Center	San Francisco-Oakland-Fremont	CA	40%	2005	1990	21,245	122	95
Blossom Valley	San Jose-Sunnyvale-Santa Clara	CA	20%	1999	1990	10,255	93	10
Brea Marketplace (6)	Los Angeles-Long Beach-Santa Ana	CA	40%	2005	1987	48,168	352	99
Clayton Valley Shopping Center	San Francisco-Oakland-Fremont	CA		2003	2004	—	260	92
Corral Hollow	Stockton	CA	25%	2000	2000	—	167	10
Costa Verde Center	San Diego-Carlsbad-San Marcos	CA		1999	1988	—	179	93
Diablo Plaza	San Francisco-Oakland-Fremont	CA		1999	1982	—	63	10
East Washington Place	Santa Rosa-Petaluma	CA		2011	2011	—	203	97
	Los Angeles-Long Beach-Santa Ana	CA		1999	1995	—	136	71

El Camino Shopping Center								
El Cerrito Plaza	San Francisco-Oakland-Fremont	CA		2000	2000	37,989	256	95
El Norte Pkwy Plaza	San Diego-Carlsbad-San Marcos	CA		1999	2013	—	91	93
Encina Grande	San Francisco-Oakland-Fremont	CA		1999	1965	—	106	10
Five Points Shopping Center	Santa Barbara-Santa Maria-Goleta	CA	40%	2005	1960	27,118	145	98
Folsom Prairie City Crossing	Sacramento--Arden-Arcade--Roseville	CA		1999	1999	—	90	95
French Valley Village Center	Riverside-San Bernardino-Ontario	CA		2004	2004	—	99	10
Friars Mission Center	San Diego-Carlsbad-San Marcos	CA		1999	1989	—	147	99
Gateway 101	San Francisco-Oakland-Fremont	CA		2008	2008	—	92	10
Gelson's Westlake Market Plaza	Oxnard-Thousand Oaks-Ventura	CA		2002	2002	—	85	92
Golden Hills Promenade	San Luis Obispo-Paso Robles	CA		2006	2012	—	242	98
Granada Village	Los Angeles-Long Beach-Santa Ana	CA	40%	2005	2012	50,000	226	10
Hasley Canyon Village	Los Angeles-Long Beach-Santa Ana	CA	20%	2003	2003	8,360	66	10
Heritage Plaza (6)	Los Angeles-Long Beach-Santa Ana	CA		1999	1981	—	230	98
Indio Towne Center	Riverside-San Bernardino-Ontario	CA		2006	2010	—	180	95
Jefferson Square	Riverside-San Bernardino-Ontario	CA		2007	2007	—	38	55
Laguna Niguel Plaza	Los Angeles-Long Beach-Santa Ana	CA	40%	2005	1985	—	42	10
Loehmanns Plaza California	San Jose-Sunnyvale-Santa Clara	CA		1999	1983	—	113	81
Marina Shores	Los Angeles-Long Beach-Santa Ana	CA	20%	2008	2001	11,079	68	10

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Property Name	(1) CBSA	State	(2) Owner-ship Interest	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	(3) Pe Le
Mariposa Shopping Center	San Jose-Sunnyvale-Santa Clara	CA	40%	2005	1957	20,529	127	10
Morningside Plaza	Los Angeles-Long Beach-Santa Ana	CA		1999	1996	—	91	10
Navajo Shopping Center	San Diego-Carlsbad-San Marcos	CA	40%	2005	1964	8,375	102	96
Newland Center	Los Angeles-Long Beach-Santa Ana	CA		1999	1985	—	152	96
Oakbrook Plaza	Oxnard-Thousand Oaks-Ventura	CA		1999	1982	—	83	95
Oak Shade Town Center	Sacramento--Arden-Arcade--Roseville	CA		2011	1998	9,208	104	97
Persimmon Place	San Francisco-Oakland-Fremont	CA		2014	2014	—	153	96
Plaza Hermosa	Los Angeles-Long Beach-Santa Ana	CA		1999	2013	13,800	95	10
Pleasant Hill Shopping Center	San Francisco-Oakland-Fremont	CA	40%	2005	1970	50,000	232	99
Point Loma Plaza	San Diego-Carlsbad-San Marcos	CA	40%	2005	1987	26,487	213	99
Powell Street Plaza	San Francisco-Oakland-Fremont	CA		2001	1987	—	166	10
Raley's Supermarket	Sacramento--Arden-Arcade--Roseville	CA	20%	2007	1964	—	63	10
Rancho San Diego Village	San Diego-Carlsbad-San Marcos	CA	40%	2005	1981	22,825	153	92
Rona Plaza	Los Angeles-Long Beach-Santa Ana	CA		1999	1989	—	52	10
San Leandro Plaza	San Francisco-Oakland-Fremont	CA		1999	1982	—	50	10
Seal Beach	Los Angeles-Long Beach-Santa Ana	CA	20%	2002	1966	2,200	97	98
Sequoia Station	San Francisco-Oakland-Fremont	CA		1999	1996	21,100	103	98
	Napa	CA	40%	2005	1974	10,253	85	10

Silverado Plaza								
Snell & Branham Plaza	San Jose-Sunnyvale-Santa Clara	CA	40%	2005	1988	13,686	92	10
South Bay Village	Los Angeles-Long Beach-Santa Ana	CA		2012	2012	—	108	10
Strawflower Village	San Francisco-Oakland-Fremont	CA		1999	1985	—	79	96
Tassajara Crossing	San Francisco-Oakland-Fremont	CA		1999	1990	19,800	146	99
Twin Oaks Shopping Center	Los Angeles-Long Beach-Santa Ana	CA	40%	2005	1978	10,117	98	98
Twin Peaks	San Diego-Carlsbad-San Marcos	CA		1999	1988	—	208	76
The Hub Hillcrest Market (fka Uptown District)	San Diego-Carlsbad-San Marcos	CA		2012	2015	—	149	92
Valencia Crossroads	Los Angeles-Long Beach-Santa Ana	CA		2002	2003	—	173	10
Village at La Floresta (7)	Los Angeles-Long Beach-Santa Ana	CA		2014	2014	—	87	92
West Park Plaza	San Jose-Sunnyvale-Santa Clara	CA		1999	1996	—	88	10
Westlake Village Plaza and Center	Oxnard-Thousand Oaks-Ventura	CA		1999	2015	—	197	10
Woodman Van Nuys	Los Angeles-Long Beach-Santa Ana	CA		1999	1992	—	108	10
Woodside Central	San Francisco-Oakland-Fremont	CA		1999	1993	—	81	10
Ygnacio Plaza	San Francisco-Oakland-Fremont	CA	40%	2005	1968	27,859	110	97
Applewood Shopping Center	Denver-Aurora	CO	40%	2005	1956	—	381	86
Arapahoe Village	Boulder	CO	40%	2005	1957	14,169	159	96

Property Name	CBSA [1]	State	Owner-ship Interest [2]	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	Percen Lease [3]
Belleview Square	Denver-Aurora	CO		2004	2013	—	117	99.0%
Boulevard Center	Denver-Aurora	CO		1999	1986	—	79	94.1%
Buckley Square	Denver-Aurora	CO		1999	1978	—	116	97.4%
Centerplace of Greeley III Phase I	Greeley	CO		2007	2007	—	119	100.0
Cherrywood Square	Denver-Aurora	CO	40%	2005	1978	4,374	97	100.0
Crossroads Commons	Boulder	CO	20%	2001	1986	16,759	143	100.0
Falcon Marketplace	Colorado Springs	CO		2005	2005	—	22	78.7%
Hilltop Village	Denver-Aurora	CO		2002	2003	7,500	100	93.8%
Kent Place	Denver-Aurora	CO	50%	2011	2011	8,250	48	100.0
Littleton Square	Denver-Aurora	CO		1999	2015	—	99	100.0
Lloyd King Center	Denver-Aurora	CO		1998	1998	—	83	96.9%
Marketplace at Briargate	Colorado Springs	CO		2006	2006	—	29	91.8%
Monument Jackson Creek	Colorado Springs	CO		1998	1999	—	85	100.0
Ralston Square Shopping Center	Denver-Aurora	CO	40%	2005	1977	4,374	83	96.5%
Shops at Quail Creek	Denver-Aurora	CO		2008	2008	—	38	100.0
South Lowry Square	Denver-Aurora	CO		1999	1993	—	120	34.7%
Stroh Ranch	Denver-Aurora	CO		1998	1998	—	93	100.0
Woodmen Plaza	Colorado Springs	CO		1998	1998	—	116	94.2%
Black Rock	Bridgeport-Stamford-Norwalk	CT	80%	2014	1996	19,828	98	95.9%
	Bridgeport-Stamford-Norwalk	CT	80%	2014	2007	31,514	124	93.8%

Brick Walk (6)								
Corbin's Corner	Hartford-West Hartford-East Hartford	CT	40%	2005	2015	40,295	186	98.8%
Fairfield Center (6)	Bridgeport-Stamford-Norwalk	CT	80%	2014	2000	—	93	100.0
Shops at The Columbia	Washington-Arlington-Alexandria	DC	25%	2006	2006	—	23	100.0
Spring Valley Shopping Center	Washington-Arlington-Alexandria	DC	40%	2005	1930	12,772	17	100.0
Pike Creek	Philadelphia-Camden-Wilmington	DE		1998	2013	—	232	90.1%
Shoppes of Graylyn	Philadelphia-Camden-Wilmington	DE	40%	2005	1971	—	67	91.0%
Anastasia Plaza	Jacksonville	FL		1993	1988	—	102	99.4%
Aventura Shopping Center	Miami-Fort Lauderdale-Miami Beach	FL		1994	1974	—	103	70.1%
Berkshire Commons	Naples-Marco Island	FL		1994	1992	7,500	110	96.9%
Bloomingdale Square	Tampa-St. Petersburg-Clearwater	FL		1998	1987	—	268	97.1%
Boynton Lakes Plaza	Miami-Fort Lauderdale-Miami Beach	FL		1997	2012	—	110	94.9%
Brooklyn Station on Riverside (7)	Jacksonville	FL		2013	2013	—	50	88.0%
Caligo Crossing	Miami-Fort Lauderdale-Miami Beach	FL		2007	2007	—	11	100.0
Canopy Oak Center	Ocala	FL	50%	2006	2006	—	90	91.8%
Carriage Gate	Tallahassee	FL		1994	2013	—	74	88.5%
Chasewood Plaza	Miami-Fort Lauderdale-Miami Beach	FL		1993	2015	—	151	96.7%
Corkscrew Village	Cape Coral-Fort Myers	FL		2007	1997	7,642	82	98.3%

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Property Name	(1) CBSA	State	(2) Owner-ship Interest	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	(3) Percent Leased	(4) Average Base Rent (Per Sq Ft)	(G M T > S
Courtyard Shopping Center	Jacksonville	FL		1993	1987	—	137	100.0%	3.50	(T
Fleming Island	Jacksonville	FL		1998	2000	—	132	99.3%	14.79	F (
Fountain Square	Miami-Fort Lauderdale-Miami Beach	FL		2013	2013	—	177	96.4%	25.38	F (
Garden Square	Miami-Fort Lauderdale-Miami Beach	FL		1997	1991	—	90	97.7%	15.99	F
Grande Oak	Cape Coral-Fort Myers	FL		2000	2000	—	79	100.0%	15.26	F
Hibernia Pavilion	Jacksonville	FL		2006	2006	—	51	87.1%	15.62	F
Hibernia Plaza	Jacksonville	FL		2006	2006	—	8	—%	—	-
John's Creek Center	Jacksonville	FL	20%	2003	2004	9,000	75	100.0%	13.83	F
Julington Village	Jacksonville	FL	20%	1999	1999	9,500	82	100.0%	15.16	F
Lynnhaven	Panama City-Lynn Haven	FL	50%	2001	2001	—	64	95.6%	12.54	F
Marketplace Shopping Center	Tampa-St. Petersburg-Clearwater	FL		1995	2012	—	90	87.2%	18.13	I
Millhopper Shopping Center	Gainesville	FL		1993	2010	—	76	100.0%	16.25	F
Naples Walk Shopping Center	Naples-Marco Island	FL		2007	1999	14,488	125	86.0%	14.80	F
Newberry Square	Gainesville	FL		1994	1986	—	181	83.9%	7.14	F F
Nocatee Town Center	Jacksonville	FL		2007	2015	—	79	100.0%	15.18	F
Northgate Square	Tampa-St. Petersburg-Clearwater	FL		2007	1995	—	75	100.0%	13.71	F
Oakleaf Commons	Jacksonville	FL		2006	2006	—	74	88.6%	13.21	F

Ocala Corners (6)	Tallahassee	FL		2000	2000	4,826	87	100.0%	14.26
Old St Augustine Plaza	Jacksonville	FL		1996	1990	—	238	92.7%	7.74
Pebblebrook Plaza	Naples-Marco Island	FL	50%	2000	2000	—	77	100.0%	14.26
Pine Tree Plaza	Jacksonville	FL		1997	1999	—	63	95.3%	12.97
Plantation Plaza	Jacksonville	FL	20%	2004	2004	10,500	78	93.5%	15.54
Regency Square	Tampa-St. Petersburg-Clearwater	FL		1993	2013	—	352	98.0%	15.84
Seminole Shoppes	Jacksonville	FL	50%	2009	2009	9,698	77	100.0%	21.80
Shoppes @ 104	Miami-Fort Lauderdale-Miami Beach	FL		1998	1990	—	108	98.0%	17.77
Shoppes at Bartram Park	Jacksonville	FL	50%	2005	2004	—	126	100.0%	18.33
Shops at John's Creek	Jacksonville	FL		2003	2004	—	15	100.0%	19.79
Starke (6)	Other	FL		2000	2000	—	13	100.0%	25.56
Suncoast Crossing (6)	Tampa-St. Petersburg-Clearwater	FL		2007	2007	—	118	92.0%	5.99
Town Square	Tampa-St. Petersburg-Clearwater	FL		1997	1999	—	44	100.0%	28.53
University Commons (6)	Miami-Fort Lauderdale-Miami Beach	FL		2015	2001	38,000	180	100.0%	30.49
Village Center	Tampa-St. Petersburg-Clearwater	FL		1995	2014	—	187	96.5%	18.21
Welleby Plaza	Miami-Fort Lauderdale-Miami Beach	FL		1996	1982	—	110	93.3%	12.63
Wellington Town Square	Miami-Fort Lauderdale-Miami Beach	FL		1996	1982	12,800	107	94.3%	20.78
Westchase	Tampa-St. Petersburg-Clearwater	FL		2007	1998	6,941	79	94.5%	14.47
Willa Springs	Orlando	FL	20%	2000	2000	7,020	90	97.1%	19.14

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Property Name	[1] CBSA	State	[2] Owner-ship Interest	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	[3] Percent Leased	[4] Avera Base Rent (Per S Ft)
Ashford Place	Atlanta-Sandy Springs-Marietta	GA		1997	1993	—	53	97.2%	20.50
Briarcliff La Vista	Atlanta-Sandy Springs-Marietta	GA		1997	1962	—	39	100.0%	20.01
Briarcliff Village [6]	Atlanta-Sandy Springs-Marietta	GA		1997	1990	—	190	94.2%	15.61
Brighten Park (fka Loehmanns Plaza Georgia)	Atlanta-Sandy Springs-Marietta	GA		1997	1986	—	138	75.2%	24.73
Buckhead Court	Atlanta-Sandy Springs-Marietta	GA		1997	1984	—	48	92.5%	20.73
Cambridge Square	Atlanta-Sandy Springs-Marietta	GA		1996	1979	—	71	98.7%	14.30
Cornerstone Square	Atlanta-Sandy Springs-Marietta	GA		1997	1990	—	80	100.0%	15.33
Delk Spectrum	Atlanta-Sandy Springs-Marietta	GA		1998	1991	—	99	95.7%	14.67
Dunwoody Hall	Atlanta-Sandy Springs-Marietta	GA	20%	1997	1986	6,855	86	100.0%	17.57
Dunwoody Village	Atlanta-Sandy Springs-Marietta	GA		1997	1975	—	121	90.5%	18.27
Howell Mill Village [6]	Atlanta-Sandy Springs-Marietta	GA		2004	1984	—	92	96.0%	19.34
Paces Ferry Plaza [6]	Atlanta-Sandy Springs-Marietta	GA		1997	1987	—	62	70.7%	33.19
Powers Ferry Square	Atlanta-Sandy Springs-Marietta	GA		1997	2013	—	101	99.4%	27.88
Powers Ferry Village	Atlanta-Sandy Springs-Marietta	GA		1997	1994	—	79	100.0%	13.02
Russell Ridge	Atlanta-Sandy Springs-Marietta	GA		1994	1995	—	101	98.6%	12.59
Sandy Springs	Atlanta-Sandy Springs-Marietta	GA		2012	2006	—	116	92.5%	21.54
Civic Center Plaza	Chicago-Naperville-Joliet	IL	40%	2005	1989	22,000	265	98.9%	11.23
	Chicago-Naperville-Joliet	IL		2014	1999	—	32	100.0%	34.81

Clybourn Commons									
Glen Oak Plaza	Chicago-Naperville-Joliet	IL		2010	1967	—	63	95.2%	22.99
Hinsdale	Chicago-Naperville-Joliet	IL		1998	2015	—	179	95.0%	15.39
McHenry Commons Shopping Center	Chicago-Naperville-Joliet	IL	40%	2005	1988	—	99	91.1%	7.26
Riverside Sq & River's Edge	Chicago-Naperville-Joliet	IL	40%	2005	1986	15,291	169	91.1%	15.86
Roscoe Square	Chicago-Naperville-Joliet	IL	40%	2005	2012	11,543	140	100.0%	19.81
Shorewood Crossing	Chicago-Naperville-Joliet	IL	20%	2004	2001	—	88	92.2%	14.42
Shorewood Crossing II	Chicago-Naperville-Joliet	IL	20%	2007	2005	—	86	100.0%	14.07
Stonebrook Plaza Shopping Center	Chicago-Naperville-Joliet	IL	40%	2005	1984	8,161	96	82.0%	11.80
Westchester Commons (fka Westbrook Commons)	Chicago-Naperville-Joliet	IL		2001	2014	—	139	98.3%	17.56
Willow Festival (6)	Chicago-Naperville-Joliet	IL		2010	2007	39,505	404	100.0%	16.20
Airport Crossing	Chicago-Naperville-Joliet	IN	88%	2006	2006	—	12	77.3%	18.86
Augusta Center	Chicago-Naperville-Joliet	IN	96%	2006	2006	—	15	100.0%	22.54
Shops on Main	Chicago-Naperville-Joliet	IN	92%	2013	2013	—	254	94.2%	14.70
Willow Lake Shopping Center	Indianapolis	IN	40%	2005	1987	—	86	100.0%	15.99
Willow Lake West Shopping Center	Indianapolis	IN	40%	2005	2001	10,000	53	100.0%	24.28
Fellsway Plaza (6)	Boston-Cambridge-Quincy	MA	75%	2013	2015	34,154	155	98.3%	22.17

Shops at Saugus	Boston-Cambridge-Quincy	MA	2006	2006	—	87	92.1%	28.68

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Property Name	CBSA [1]	State	Owner-ship Interest [2]	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	Percent Leased [3]
Twin City Plaza	Boston-Cambridge-Quincy	MA		2006	2004	—	274	96.2%
Bowie Plaza	Washington-Arlington-Alexandria	MD	40%	2005	1966	—	103	96.1%
Burnt Mills [6]	Washington-Arlington-Alexandria	MD	20%	2013	2004	7,000	31	100.0%
Clinton Park	Washington-Arlington-Alexandria	MD	20%	2003	2003	—	206	74.2%
Cloppers Mill Village	Washington-Arlington-Alexandria	MD	40%	2005	1995	—	137	96.8%
Festival at Woodholme	Baltimore-Towson	MD	40%	2005	1986	21,245	81	95.4%
Firstfield Shopping Center	Washington-Arlington-Alexandria	MD	40%	2005	2014	—	22	95.5%
King Farm Village Center	Washington-Arlington-Alexandria	MD	25%	2004	2015	27,500	118	91.4%
Parkville Shopping Center	Baltimore-Towson	MD	40%	2005	2013	11,782	162	91.6%
Southside Marketplace	Baltimore-Towson	MD	40%	2005	2011	14,643	125	96.0%
Takoma Park	Washington-Arlington-Alexandria	MD	40%	2005	1960	—	104	93.1%
Valley Centre	Baltimore-Towson	MD	40%	2005	1987	19,018	220	97.0%
Village at Lee Airpark [6]	Baltimore-Towson	MD		2005	2014	—	113	96.1%
Watkins Park Plaza	Washington-Arlington-Alexandria	MD	40%	2005	1985	—	111	98.5%
Woodmoor Shopping Center	Washington-Arlington-Alexandria	MD	40%	2005	1954	6,575	69	97.7%
Fenton Marketplace	Flint	MI		1999	1999	—	97	95.7%
Brentwood Plaza	St. Louis	MO		2007	2002	—	60	100.0%

Bridgeton	St. Louis	MO		2007	2005	—	71	100.0%
Dardenne Crossing	St. Louis	MO		2007	1996	—	67	100.0%
Kirkwood Commons	St. Louis	MO		2007	2000	10,528	210	100.0%
Apple Valley Square	Minneapolis-St. Paul-Bloomington	MN	25%	2006	1998	16,000	185	97.6%
Calhoun Commons	Minneapolis-St. Paul-Bloomington	MN	25%	2011	1999	3,008	66	100.0%
Colonial Square	Minneapolis-St. Paul-Bloomington	MN	40%	2005	2014	9,794	93	98.8%
Rockford Road Plaza	Minneapolis-St. Paul-Bloomington	MN	40%	2005	1991	20,000	204	100.0%
Rockridge Center	Minneapolis-St. Paul-Bloomington	MN	20%	2011	2006	14,500	125	95.4%
Cameron Village	Raleigh-Cary	NC	30%	2004	2014	60,000	558	97.4%
Carmel Commons	Charlotte-Gastonia-Concord	NC		1997	2012	—	133	95.1%
Cochran Commons	Charlotte-Gastonia-Concord	NC	20%	2007	2003	5,506	66	95.6%
Colonnade Center	Raleigh-Cary	NC		2009	2009	—	58	100.0%
Glenwood Village	Raleigh-Cary	NC		1997	1983	—	43	100.0%
Harris Crossing	Raleigh-Cary	NC		2007	2007	—	65	89.4%
Holly Park	Raleigh-Cary	NC	99%	2013	1969	—	160	100.0%
Lake Pine Plaza	Raleigh-Cary	NC		1998	1997	—	88	96.8%
Maynard Crossing	Raleigh-Cary	NC	20%	1998	1997	8,933	123	94.2%
Phillips Place	Charlotte-Gastonia-Concord	NC	50%	2012	2005	44,500	133	98.5%
Providence Commons	Charlotte-Gastonia-Concord	NC	25%	2010	1994	—	74	100.0%

Property Name	(1) CBSA	State	(2) Owner-ship Interest	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	(3) Percen Leased
Shops at Erwin Mill (fka Erwin Square)	Durham-Chapel Hill	NC	55%	2012	2012	10,000	87	98.2%
Shoppes of Kildaire	Raleigh-Cary	NC	40%	2005	1986	20,000	145	100.0
Southpoint Crossing	Durham-Chapel Hill	NC		1998	1998	—	103	96.6%
Sutton Square	Raleigh-Cary	NC	20%	2006	1985	—	101	96.8%
Village Plaza	Durham-Chapel Hill	NC	20%	2012	1975	8,000	75	98.0%
Willow Oaks (7)	Charlotte-Gastonia-Concord	NC		2014	2014	—	69	81.5%
Woodcroft Shopping Center	Durham-Chapel Hill	NC		1996	1984	—	90	95.7%
Plaza Square	New York-Northern New Jersey-Long Island	NJ	40%	2005	1990	13,598	104	100.0
Haddon Commons	Philadelphia-Camden-Wilmington	NJ	40%	2005	1985	—	54	87.5%
Lake Grove Commons	New York-Northern New Jersey-Long Island	NY	40%	2012	2008	31,970	141	100.0
Cherry Grove	Cincinnati-Middletown	OH		1998	2012	—	196	93.6%
East Pointe	Columbus	OH		1998	2014	—	107	98.7%
Hyde Park	Cincinnati-Middletown	OH		1997	1995	—	397	99.7%
Kroger New Albany Center	Columbus	OH	50%	1999	1999	—	93	100.0
Maxtown Road (Northgate)	Columbus	OH		1998	1996	—	85	100.0
Red Bank Village	Cincinnati-Middletown	OH		2006	2006	—	164	100.0
Regency Commons	Cincinnati-Middletown	OH		2004	2004	—	34	100.0
Westchester Plaza	Cincinnati-Middletown	OH		1998	1988	—	88	98.4%

Corvallis Market Center	Corvallis	OR		2006	2006	—	85	100.0%
Greenway Town Center	Portland-Vancouver-Beaverton	OR	40%	2005	2014	—	93	98.1%
Murrayhill Marketplace	Portland-Vancouver-Beaverton	OR		1999	1988	—	149	92.7%
Northgate Marketplace	Medford	OR		2011	2011	—	81	100.0%
Northgate Marketplace Ph II (7)	Medford	OR		2011	2015	—	179	
Sherwood Crossroads	Portland-Vancouver-Beaverton	OR		1999	1999	—	88	95.4%
Tanasbourne Market (6)	Portland-Vancouver-Beaverton	OR		2006	2006	—	71	100.0%
Walker Center	Portland-Vancouver-Beaverton	OR		1999	1987	—	90	90.4%
Allen Street Shopping Center	Allentown-Bethlehem-Easton	PA	40%	2005	1958	—	46	92.0%
City Avenue Shopping Center	Philadelphia-Camden-Wilmington	PA	40%	2005	1960	—	162	78.4%
Gateway Shopping Center	Philadelphia-Camden-Wilmington	PA		2004	1960	—	214	99.3%
Hershey (6)	Harrisburg-Carlisle	PA		2000	2000	—	6	100.0%
Lower Nazareth Commons	Allentown-Bethlehem-Easton	PA		2007	2012	—	90	96.0%
Mercer Square Shopping Center	Philadelphia-Camden-Wilmington	PA	40%	2005	1988	11,031	91	100.0%
Newtown Square Shopping Center	Philadelphia-Camden-Wilmington	PA	40%	2005	1970	10,840	141	83.0%
Stefko Boulevard Shopping Center (6)	Allentown-Bethlehem-Easton	PA	40%	2005	1976	—	134	96.0%
Warwick Square Shopping Center	Philadelphia-Camden-Wilmington	PA	40%	2005	1999	9,699	90	92.5%

Property Name	[1] CBSA	State	[2] Owner-ship Interest	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasable Area (GLA) (in 000's)	[3] Pe Le
Buckwalter Village	Hilton Head Island-Beaufort	SC		2006	2006	—	60	10
Merchants Village	Charleston-North Charleston	SC	40%	1997	1997	9,000	80	10
Queensborough Shopping Center	Charleston-North Charleston	SC	50%	1998	1993	—	82	10
Harpeth Village Fieldstone	Nashville-Davidson--Murfreesboro	TN		1997	1998	—	70	10
Northlake Village	Nashville-Davidson--Murfreesboro	TN		2000	1988	—	138	91
Peartree Village	Nashville-Davidson--Murfreesboro	TN		1997	1997	6,836	110	10
Alden Bridge	Houston-Baytown-Sugar Land	TX	20%	2002	1998	12,870	139	10
Bethany Park Place	Dallas-Fort Worth-Arlington	TX	20%	1998	1998	5,745	99	10
CityLine Market [7]	Dallas-Fort Worth-Arlington	TX		2014	2014	—	80	97
CityLine Market Phase II [7]	Dallas-Fort Worth-Arlington	TX		2014	2015	—	22	10
Cochran's Crossing	Houston-Baytown-Sugar Land	TX		2002	1994	—	138	96
Hancock	Austin-Round Rock	TX		1999	1998	—	410	97
Hickory Creek Plaza	Dallas-Fort Worth-Arlington	TX		2006	2006	—	28	10
Hillcrest Village	Dallas-Fort Worth-Arlington	TX		1999	1991	—	15	10
Indian Springs Center	Houston-Baytown-Sugar Land	TX		2002	2003	—	137	10
Keller Town Center	Dallas-Fort Worth-Arlington	TX		1999	2014	—	120	96
Lebanon/Legacy Center	Dallas-Fort Worth-Arlington	TX		2000	2002	—	56	97
Market at Preston Forest	Dallas-Fort Worth-Arlington	TX		1999	1990	—	96	10
Market at Round Rock	Austin-Round Rock	TX		1999	1987	—	123	10
Mockingbird Common	Dallas-Fort Worth-Arlington	TX		1999	1987	10,300	120	93
North Hills	Austin-Round Rock	TX		1999	1995	—	144	97
Panther Creek	Houston-Baytown-Sugar Land	TX		2002	1994	—	166	99

Prestonbrook	Dallas-Fort Worth-Arlington	TX		1998	1998	6,800	92	10
Preston Oaks [6]	Dallas-Fort Worth-Arlington	TX		2013	1991	—	104	94
Shiloh Springs	Dallas-Fort Worth-Arlington	TX	20%	1998	1998	6,855	110	94
Shops at Mira Vista	Austin-Round Rock	TX		2014	2002	250	68	10
Signature Plaza	Dallas-Fort Worth-Arlington	TX		2003	2004	—	32	90
Southpark at Cinco Ranch	Houston-Baytown-Sugar Land	TX		2012	2015	—	265	97
Sterling Ridge	Houston-Baytown-Sugar Land	TX		2002	2000	13,900	129	10
Sweetwater Plaza	Houston-Baytown-Sugar Land	TX	20%	2001	2000	11,079	134	10
Tech Ridge Center	Austin-Round Rock	TX		2011	2001	8,741	187	96
Weslayan Plaza East	Houston-Baytown-Sugar Land	TX	40%	2005	1969	—	168	10
Weslayan Plaza West	Houston-Baytown-Sugar Land	TX	40%	2005	1969	38,598	186	10
Westwood Village	Houston-Baytown-Sugar Land	TX		2006	2006	—	184	96
Woodway Collection	Houston-Baytown-Sugar Land	TX	40%	2005	2012	8,851	96	10
Ashburn Farm Market Center	Washington-Arlington-Alexandria	VA		2000	2000	—	92	10
Ashburn Farm Village Center	Washington-Arlington-Alexandria	VA	40%	2005	1996	—	89	97

Property Name	CBSA [1]	State	Owner-ship Interest [2]	Year Acquired	Year Constructed or Last Major Renovation	Mortgages or Encumbrances (in 000's)	Gross Leasab Area (GLA) (in 000
Belmont Chase [7]	Washington-Arlington-Alexandria	VA		2014	2014	—	91
Braemar Shopping Center	Washington-Arlington-Alexandria	VA	25%	2004	2004	11,533	96
Centre Ridge Marketplace	Washington-Arlington-Alexandria	VA	40%	2005	1996	13,543	104
Culpeper Colonnade	Culpeper	VA		2006	2014	—	171
Fairfax Shopping Center	Washington-Arlington-Alexandria	VA		2007	1955	—	76
Festival at Manchester Lakes [6]	Washington-Arlington-Alexandria	VA	40%	2005	1990	23,297	169
Fox Mill Shopping Center	Washington-Arlington-Alexandria	VA	40%	2005	2013	16,267	103
Gayton Crossing	Richmond	VA	40%	2005	1983	—	158
Greenbriar Town Center	Washington-Arlington-Alexandria	VA	40%	2005	1972	50,494	340
Hanover Village Shopping Center	Richmond	VA	40%	2005	1971	—	90
Hollymead Town Center	Charlottesville	VA	20%	2003	2004	25,000	154
Kamp Washington Shopping Center	Washington-Arlington-Alexandria	VA	40%	2005	1960	—	72
Kings Park Shopping Center [6]	Washington-Arlington-Alexandria	VA	40%	2005	2015	13,745	93
Lorton Station Marketplace	Washington-Arlington-Alexandria	VA	20%	2006	2005	24,375	132
Saratoga Shopping Center	Washington-Arlington-Alexandria	VA	40%	2005	1977	11,126	113
Shops at County Center	Washington-Arlington-Alexandria	VA		2005	2005	—	97
Shops at Stonewall	Washington-Arlington-Alexandria	VA		2007	2014	—	314

Signal Hill	Washington-Arlington-Alexandria	VA	20%	2003	2004	—	95
Town Center at Sterling Shopping Center	Washington-Arlington-Alexandria	VA	40%	2005	1980	—	187
Village Center at Dulles	Washington-Arlington-Alexandria	VA	20%	2002	1991	41,588	298
Village Shopping Center	Richmond	VA	40%	2005	1948	16,016	111
Willston Centre I	Washington-Arlington-Alexandria	VA	40%	2005	1952	—	105
Willston Centre II	Washington-Arlington-Alexandria	VA	40%	2005	2010	27,000	136
Aurora Marketplace	Seattle-Tacoma-Bellevue	WA	40%	2005	1991	11,617	107
Broadway Market [6]	Seattle-Tacoma-Bellevue	WA	20%	2014	1988	21,500	140
Cascade Plaza	Seattle-Tacoma-Bellevue	WA	20%	1999	1999	14,409	215
Eastgate Plaza	Seattle-Tacoma-Bellevue	WA	40%	2005	1956	10,270	78
Grand Ridge	Seattle-Tacoma-Bellevue	WA		2012	2012	11,125	326
Inglewood Plaza	Seattle-Tacoma-Bellevue	WA		1999	1985	—	17
Overlake Fashion Plaza [6]	Seattle-Tacoma-Bellevue	WA	40%	2005	1987	12,100	81
Pine Lake Village	Seattle-Tacoma-Bellevue	WA		1999	1989	—	103
Sammamish-Highlands	Seattle-Tacoma-Bellevue	WA		1999	2013	—	101
Southcenter	Seattle-Tacoma-Bellevue	WA		1999	1990	—	58
Whitnall Square Shopping Center	Milwaukee-Waukesha-West Allis	WI	40%	2005	1989	—	133
Regency Centers Total						$1,905,067	38,035

[1] CBSA refers to Core Based Statistical Area.

(2) Represents our ownership interest in the property, if not wholly owned.
(3) Includes properties where we have not yet incurred at least 90% of the expected costs to complete and 95% occupied or the anchor has not yet been open for at least two calendar years ("development properties" or "properties in development"). If development properties are excluded, the total percentage leased would be 95.9% for our Combined Portfolio of shopping centers.
(4) Average base rent per SFT is calculated based on annual minimum contractual base rent per the tenant lease, excluding percentage rent and recovery revenue.
(5) A retailer that supports our shopping center and in which we have no ownership is indicated by parentheses.
(6) The ground underlying the building and improvements are not owned by Regency or its unconsolidated real estate partnerships, but is subject to a ground lease.
(7) Property in development.

Item 3. Legal Proceedings

We are a party to various legal proceedings that arise in the ordinary course of our business. We are not currently involved in any litigation nor to our knowledge, is any litigation threatened against us, the outcome of which would, in our judgment based on information currently available to us, have a material adverse effect on our financial position or results of operations.

Item 4. Mine Safety Disclosures

None.

PART II

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

Our common stock is traded on the New York Stock Exchange under the symbol "REG." The following table sets forth the high and low sales prices and the cash dividends declared on our common stock by quarter for 2015 and 2014.

	2015			2014		
Quarter Ended	High Price	Low Price	Cash Dividends Declared	High Price	Low Price	Cash Dividends Declared
March 31	$70.80	63.38	0.4850	$51.49	45.41	0.4700
June 30	69.45	58.81	0.4850	56.11	50.55	0.4700
September 30	64.79	55.79	0.4850	57.99	53.28	0.4700
December 31	69.45	61.71	0.4850	65.72	53.55	0.4700

We have determined that the dividends paid during 2015 and 2014 on our common stock qualify for the following tax treatment:

	Total Distribution per Share	Ordinary Dividends	Total Capital Gain Distributions	Nontaxable Distributions	Qualified Dividends (included in Ordinary Dividends)	Unrecapt Sec 1250 Gain
2015	$1.9400	1.4744	0.0970	0.3686	0.0970	0.0388
2014	1.8800	1.3160	0.3008	0.2632	—	0.0564

As of February 10, 2016, there were approximately 27,974 holders of common equity.

We intend to pay regular quarterly distributions to Regency Centers Corporation's common stockholders. Future distributions will be declared and paid at the discretion of our Board of Directors and will depend upon cash generated by operating activities, our financial condition, capital requirements, annual dividend requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, and such other factors as our Board of Directors deems relevant. In order to maintain Regency Centers Corporation's qualification as a REIT for federal income tax purposes, we are generally required to make annual distributions at least equal to 90% of our real estate investment trust taxable income for the taxable year. Under certain circumstances, which we do not expect to occur, we could be required to make distributions in excess of cash available for distributions in order to meet such requirements. We have a dividend reinvestment plan under which shareholders may elect to reinvest their dividends automatically in common

stock. Under the plan, we may elect to purchase common stock in the open market on behalf of shareholders or may issue new common stock to such stockholders.

Under the loan agreement of our line of credit, in the event of any monetary default, we may not make distributions to stockholders except to the extent necessary to maintain our REIT status.

There were no unregistered sales of equity securities, and we did not repurchase any of our equity securities during the quarter ended December 31, 2015.

The performance graph furnished below shows Regency's cumulative total stockholder return to the S&P 500 Index, the FTSE NAREIT Equity REIT Index, and the FTSE NAREIT Equity Shopping Centers index since December 31, 2010. The stock performance graph should not be deemed filed or incorporated by reference into any other filing made by us under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that we specifically incorporate the stock performance graph by reference in another filing.

	12/10	12/11	12/12	12/13	12/14	12/15
Regency Centers Corporation	$100.00	93.15	121.45	123.64	176.24	193.90
S&P 500	100.00	102.11	118.45	156.82	178.29	180.75
FTSE NAREIT Equity REITs	100.00	108.29	127.85	131.01	170.49	175.94
FTSE NAREIT Equity Shopping Centers	100.00	99.27	124.11	130.31	169.35	177.34

Item 6. Selected Financial Data
(in thousands, except per share and unit data, number of properties, and ratio of earnings to fixed charges)

The following table sets forth Selected Financial Data for the Company on a historical basis for the five years ended December 31, 2015 (in thousands, except per share and unit data, number of properties, and ratio of earnings to fixed charges). This historical Selected Financial Data has been derived from the audited consolidated financial statements. This information should be read in conjunction with the consolidated financial statements of Regency Centers Corporation and Regency Centers, L.P. (including the related notes thereto) and Management's Discussion and Analysis of the Financial Condition and Results of Operations, each included elsewhere in this Form 10-K.

Parent Company

	2015	2014	2013	2012	2011
Operating data:					
Revenues	$569,763	537,898	489,007	473,929	470,449
Operating expenses	365,098	353,348	324,687	307,493	303,976
Total other expense (income)	110,236	83,046 (1)	111,741	131,240	136,317
Income from operations before equity in income of investments in real estate partnerships	94,429	101,504	52,579	35,196	30,156
Equity in income of investments in real estate partnerships	22,508	31,270	31,718	23,807	9,643
Income tax (benefit) expense of taxable REIT subsidiary	—	(996)	—	13,224	2,994
Income from continuing operations	116,937	133,770	84,297	45,779	36,805
Income (loss) from discontinued operations (2)	—	—	65,285	(21,728)	16,579
Gain on sale of real estate	35,606	55,077	1,703	2,158	2,404
Net income	152,543	188,847	151,285	26,209	55,788
Income attributable to noncontrolling interests	(2,487)	(1,457)	(1,481)	(342)	(4,418)
Net income attributable to the Company	150,056	187,390	149,804	25,867	51,370
Preferred stock dividends	(21,062)	(21,062)	(21,062)	(32,531)	(19,675)
Net income (loss) attributable to common stockholders	$128,994	166,328	128,742	(6,664)	31,695
NAREIT FFO (3)	276,515	269,149	240,621	222,100	220,318
Core FFO (3)	288,872	261,506	241,619	230,937	213,148
Income per common share - diluted (note 15):					
Continuing operations	$1.36	1.80	0.69	0.16	0.16
Discontinued operations (2)	—	—	0.71	(0.24)	0.19
Net income attributable to common stockholders	$1.36	1.80	1.40	(0.08)	0.35
Other information:					
Net cash provided by operating activities	$275,637	277,742	250,731	257,215	217,633
Net cash used in investing activities	(139,346)	(210,290)	(9,817)	3,623	(77,723)
Net cash used in financing activities	(213,211)	(34,360)	(182,579)	(249,891)	(145,569)
Dividends paid to common stockholders	181,691	172,900	168,095	164,747	160,479
Common dividends declared per share	1.94	1.88	1.85	1.85	1.85
Common stock outstanding including exchangeable operating partnership units	97,367	94,262	92,499	90,572	90,099
Ratio of earnings to fixed charges (4)	2.5	2.6	1.8	1.6	1.5
Ratio of earnings to combined fixed charges and preference dividends (4)	2.1	2.2	1.5	1.4	1.3

Balance sheet data:					
Real estate investments before accumulated depreciation	$4,852,106	4,743,053	4,385,380	4,352,839	4,488,794
Total assets	4,191,074	4,197,170	3,913,516	3,853,458	3,987,071
Total debt	1,872,478	2,021,357	1,854,697	1,941,891	1,982,440
Total liabilities	2,108,454	2,260,688	2,052,382	2,107,547	2,117,417
Total stockholders' equity	2,054,109	1,906,592	1,843,354	1,730,765	1,808,355
Total noncontrolling interests	28,511	29,890	17,780	15,146	61,299

(1) During the year ended December 31, 2014, the Company recognized a gain on remeasurement of investment in real estate partnership of $18.3 million, which is included in Total other expense (income) and Income from operations, upon the acquisition of the remaining 50% interest in a single operating property, resulting in consolidation of the property as a business combination. The gain on remeasurement was calculated based on the difference between the carrying value and the fair value of the previously held equity interest.

(2) On January 1, 2014, the Company prospectively adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, which changes the requirements for reporting discontinued operations. Under the new guidance, only disposals representing a strategic shift in

operations should be presented as discontinued operations. No property disposals since adoption of this ASU qualify as discontinued operations, therefore prior period amounts were not reclassified for property sales since adoption.
(3) See Item 1, Defined Terms, for the definition of NAREIT FFO and Core FFO and Item 7, Supplemental Earnings Information, for a reconciliation to the nearest GAAP measure.
(4) See Exhibit 12.1 for additional information regarding the computations of ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preference dividends.

Operating Partnership

	2015	2014	2013	2012	2011
Operating data:					
Revenues	$569,763	537,898	489,007	473,929	470,449
Operating expenses	365,098	353,348	324,687	307,493	303,976
Total other expense (income)	110,236	83,046 [1]	111,741	131,240	136,317
Income from operations before equity in income of investments in real estate partnerships	94,429	101,504	52,579	35,196	30,156
Equity in income of investments in real estate partnerships	22,508	31,270	31,718	23,807	9,643
Income tax (benefit) expense of taxable REIT subsidiary	—	(996)	—	13,224	2,994
Income from continuing operations	116,937	133,770	84,297	45,779	36,805
Income (loss) from discontinued operations [2]	—	—	65,285	(21,728)	16,579
Gain on sale of real estate	35,606	55,077	1,703	2,158	2,404
Net income	152,543	188,847	151,285	26,209	55,788
Income attributable to noncontrolling interests	(2,247)	(1,138)	(1,205)	(865)	(590)
Net income attributable to the Partnership	150,296	187,709	150,080	25,344	55,198
Preferred unit distributions	(21,062)	(21,062)	(21,062)	(31,902)	(23,400)
Net income (loss) attributable to common unit holders	$129,234	166,647	129,018	(6,558)	31,798
NAREIT FFO [3]	276,515	269,149	240,621	222,100	220,318
Core FFO [3]	288,872	261,506	241,619	230,937	213,148
Income per common unit - diluted (note 15):					
Continuing operations	$1.36	1.80	0.69	0.16	0.16
Discontinued operations [2]	—	—	0.71	(0.24)	0.19
Net income (loss) attributable to common unit holders	$1.36	1.80	1.40	(0.08)	0.35
Other information:					
Net cash provided by operating activities	$275,637	277,742	250,731	257,215	217,633
Net cash used in investing activities	(139,346)	(210,290)	(9,817)	3,623	(77,723)
Net cash used in financing activities	(213,211)	(34,360)	(182,579)	(249,891)	(145,569)
Distributions paid on common units	181,691	172,900	168,095	164,747	160,479
Ratio of earnings to fixed charges [4]	2.5	2.6	1.8	1.6	1.5
Ratio of combined fixed charges and preference dividends to earnings [4]	2.1	2.2	1.5	1.4	1.3
Balance sheet data:					
Real estate investments before accumulated depreciation	$4,852,106	4,743,053	4,385,380	4,352,839	4,488,794
Total assets	4,191,074	4,197,170	3,913,516	3,853,458	3,987,071
Total debt	1,872,478	2,021,357	1,854,697	1,941,891	1,982,440
Total liabilities	2,108,454	2,260,688	2,052,382	2,107,547	2,117,417
Total partners' capital	2,052,134	1,904,678	1,841,928	1,729,612	1,856,550
Total noncontrolling interests	30,486	31,804	19,206	16,299	13,104

[1] During the year ended December 31, 2014, the Company recognized a gain on remeasurement of investment in real estate partnership of $18.3 million, which is included in Total other expense (income) and Income from operations, upon the acquisition of the remaining 50% interest in a single operating property, resulting in consolidation of the property as a business combination. The gain on remeasurement was calculated based on the difference between the carrying value and the fair value of the previously held equity interest.
[2] On January 1, 2014, the Company prospectively adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, which changes the requirements for reporting discontinued operations. Under the new guidance, only disposals representing a strategic shift in operations should be presented as discontinued operations. No property disposals since adoption of this ASU qualify as discontinued operations, therefore prior period amounts were not reclassified for property sales since adoption.
[3] See Item 1, Defined Terms, for the definition of NAREIT FFO and Core FFO and Item 7, Supplemental Earnings Information, for a reconciliation to the nearest GAAP measure.
[4] See Exhibit 12.1 for additional information regarding the computations of ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preference dividends.

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

Executing on our Strategy

During 2015, we executed on our strategic objectives to further solidify Regency's position as a leader among shopping center REITs:

Sustain average annual 3% NOI growth from a high-quality, growing portfolio of thriving community and neighborhood shopping centers.

We earn revenues and generate cash flow by leasing space in our shopping centers to grocery stores, major retail anchors, restaurants, side-shop retailers, and service providers, as well as ground leasing or selling out-parcels to these same types of tenants. We experience growth in revenues by increasing occupancy and rental rates in our existing shopping centers, by acquiring and developing new shopping centers, and by redeveloping shopping centers within our portfolio. Noteworthy milestones and achievements during 2015 include:

- We achieved pro-rata same property NOI growth, excluding termination fees, of 4.4% in 2015, marking four consecutive years of 4% growth.
- We maintained our pro-rata same property percent leased at 95.8% at December 31, 2015 and 2014.
- We grew rental rates 9.6% on comparable spaces for new and renewal leases.
- We cost effectively invested in the acquisition of one operating property and funded the purchase with $50 million from the sale of a center with a similar cap rate but a lower growth opportunity and greater anchor risk.

Develop new, high quality shopping centers and redevelop existing centers at attractive returns on investment from a disciplined development program.

We capitalize on our development capabilities, market presence, and anchor relationships by investing in new developments and redevelopments of existing centers.

- During 2015, we started $116.7 million of development and redevelopment projects with a weighted average estimated yield of 7.5%.
- As of December 31, 2015, we have seven ground-up developments in process, with total expected net development costs of $163.9 million with projected return on capital of 7.7%, and are currently 83% leased. We also have thirteen redevelopments of existing centers in process with total expected net redevelopment costs of $81.8 million and incremental yields ranging from 7.0% - 10.0%.

Cost-effectively enhance our already strong balance sheet to reduce our cost of capital, provide financial flexibility and weather economic downturns.

We fund acquisitions and development activities from various capital sources including operating cash flow, property sales through a disciplined match-funding strategy of selling low growth assets, equity offerings, new debt financing, and capital from our co-investment partners.

- We managed our balance sheet to improve our debt maturity profile by refinancing and reducing our unsecured borrowings, thereby leveling our maturities to better withstand downturns in the financial markets and efficiently fund investments.
- We cost effectively sold $193.6 million in common stock through our forward equity offering in January. Net proceeds of $186.2 million were received in November upon settlement and used a portion to improve our debt maturity profile. In addition, we issued 189,200 shares through our ATM program resulting in net proceeds of $12.7 million.
- At December 31, 2015, our net debt-to-core EBITDA ratio was 5.2x versus 5.7x at December 31, 2014. We had $36.9 million of cash and no outstanding balance on our $800.0 million line of credit.

Engage a talented and dedicated team that operates efficiently and is recognized as a leader in the real estate industry with respect to development and operating capabilities, customer relationships, operating and technology systems, and environmental sustainability.

- We executed on our succession plan with our bench of proven and experienced executives with the promotion of Lisa Palmer to President, in addition to her existing role of Chief Financial Officer. Additionally, we promoted two Managing Directors to Executive Vice President of Operations and of Development, respectively.
- We worked to increase employee engagement through a variety of employee-related initiatives.
- We developed critical information platforms that provide value added decision making capabilities.

Leasing Activity and Significant Tenants

We believe our high-quality, grocery anchored shopping centers located in densely populated, desirable infill trade areas create attractive spaces for retail tenants. Improvements in the economy, combined with historically low levels of new supply and robust tenant demand, allow us to focus on merchandising of our centers to ensure the right mix of operators and unique retailers, which draws more retail customers to our centers.

Pro-rata Occupancy

For the purpose of the following disclosures of occupancy and leasing activity, anchor space is considered space greater than or equal to 10,000 SF and shop space is less than 10,000 SF. The following table summarizes pro-rata occupancy rates of our combined Consolidated and Unconsolidated shopping center portfolio:

	December 31, 2015	December 31, 2014
% Leased – Operating	95.9%	95.9%
Anchor space	98.5%	98.8%
Shop space	91.7%	91.2%

The percent leased in our operating portfolio remained constant in 2015. During the fourth quarter of 2015, we successfully recaptured two anchor spaces, giving us control over the future tenant mix at these centers and the ability to improve rents. Our shop space experienced pro-rata occupancy gains of 50 basis points driven primarily by new leasing and lower than historical move-out rates.

Pro-rata Leasing Activity

The following table summarizes leasing activity, including Regency's pro-rata share of activity within the portfolio of our co-investment partnerships:

Year ended December 31, 2015

	Leasing Transactions (1)	Square Feet ("SF") (in thousands)	Base Rent PSF (2)	Tenant Improvements PSF (2)	Leasing Commissions PSF (2)
New leases					
Anchor space	15	295	$13.81	$5.28	$5.14
Shop space	445	724	$30.67	$10.35	$13.53
Total New Leases	460	1,019	$25.79	$8.88	$11.10
Renewals					
Anchor space	48	972	$11.96	$0.01	$1.08
Shop space	950	1,497	$30.33	$0.64	$3.92
	998	2,469	$23.10	$0.40	$2.80

Total Renewal Leases [1]					
Total Leases	1,458	3,488	$23.88	$2.87	$5.23

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Year ended December 31, 2014

	Leasing Transactions [1]	SF (in thousands)	Base Rent PSF [2]	Tenant Improvements PSF [2]	Leasing Commissions PSF [2]
New leases					
Anchor space	28	793	$14.49	$5.54	$4.62
Shop space	477	828	$29.24	$8.76	$13.72
Total New Leases	505	1,621	$22.02	$7.19	$9.27
Renewals					
Anchor space	59	1,173	$11.80	$0.20	$1.07
Shop space	854	1,281	$28.80	$0.76	$3.61
Total Renewal Leases [1]	913	2,454	$20.67	$0.49	$2.39
Total Leases	1,418	4,075	$21.21	$3.16	$5.13

(1) Number of leasing transactions reported at 100%; all other statistics reported at pro-rata share.
(2) Totals for base rent, tenant improvements, and leasing commissions reflect the weighted average per square foot ("PSF").

Overall, leasing activity continues to be strong. In the shop space category for both new leases and renewals, base rent PSF continued to increase on leases executed in 2015. In the anchor category, base rent PSF on new leases decreased slightly due to the geographic location of anchor deals in 2015 as compared to 2014.

Significant Tenants and Concentrations of Risk

We seek to reduce our operating and leasing risks through geographic diversification and by avoiding dependence on any single property, market, or tenant. The following table summarizes our three most significant tenants, each of which is a grocery tenant, occupying our shopping centers:

	December 31, 2015		
Grocery Anchor	Number of Stores [1]	Percentage of Company Owned GLA [2]	Percentage of Annualized Base Rent [2]
Kroger	58	8.8%	4.7%
Publix	46	6.5%	3.7%
Albertsons/Safeway	49	4.8%	2.9%

[1] Includes stores owned by grocery anchors that are attached to our centers.
[2] Includes our pro-rata share of Unconsolidated Properties and excludes those owned by anchors.

Bankruptcies

Although base rent is supported by long-term lease contracts, tenants who file bankruptcy may have the legal right to reject any or all of their leases and close related stores. In the event that a tenant with a significant number of leases in our shopping centers files bankruptcy and cancels its leases, we could experience a significant reduction in our revenues. We monitor the operating performance and rent collections of all tenants in our shopping centers, especially those tenants operating retail formats that are experiencing significant changes in competition, business practice, and store closings in other locations. We are not currently aware of the pending bankruptcy or announced store closings of any tenants in our shopping centers that would individually cause a material reduction in our revenues, and no tenant represents more than 5% of our annual base rent on a pro-rata basis.

Our management team devotes significant time to monitoring consumer preferences, shopping behaviors, and demographics to anticipate both challenges and opportunities in the changing retail industry that may affect our tenants. As a result of our findings, we may reduce new leasing, suspend leasing, or curtail the allowance for the construction of leasehold improvements within a certain retail category or to a specific retailer.

Results from Operations

Comparison of the years ended December 31, 2015 and 2014:

Our revenues increased as summarized in the following table:

(in thousands)	2015	2014	Change
Minimum rent	$415,155	390,697	24,458
Percentage rent	3,750	3,488	262
Recoveries from tenants	116,120	108,434	7,686
Other income	9,175	11,184	(2,009)
Management, transaction, and other fees	25,563	24,095	1,468
Total revenues	$569,763	537,898	31,865

Minimum rent increased as follows:

- $5.0 million increase due to the acquisitions of operating properties;
- $9.8 million increase from operations beginning at development properties; and
- $15.7 million increase in minimum rent from same properties, with $6.7 million relating to redevelopment properties, and $9.0 million relating to higher rental rates and rent paying occupancy growth;
- reduced by $6.0 million from the sale of operating properties.

Recoveries from tenants represent reimbursements to us for tenants' pro-rata share of the operating, maintenance, and real estate tax expenses that we incur to operate our shopping centers. Recoveries from tenants increased as follows:

- $1.2 million increase due to the acquisition of operating properties;
- $1.5 million increase from operations beginning at development properties; and,
- $5.9 million increase from same properties associated with rent paying occupancy improvements and higher recoverable costs;
- reduced by approximately $890,000 from the sale of operating properties.

Other income, which consists of incidental income earned at our centers, decreased primarily as a result of a higher level of settlement and lease termination income earned in 2014.

We earn fees, at market-based rates, for asset management, property management, leasing, acquisition, and financing services that we provided to our co-investment partnerships and third parties as follows:

(in thousands)	2015	2014	Change
Asset management fees	$6,416	6,013	403
Property management fees	13,123	13,020	103
Leasing commissions and other fees	6,024	5,062	962
Total management, transaction, and other fees	$25,563	24,095	1,468

Asset and property management fees increased due to higher property values and revenues in our co-investment partnerships. Leasing commissions and other fees increased during 2015 due to the higher average rents on leasing transactions.

Changes in our operating expenses are summarized in the following table:

(in thousands)	2015	2014	Change
Depreciation and amortization	$146,829	147,791	(962)
Operating and maintenance	82,978	77,788	5,190
General and administrative	65,600	60,242	5,358
Real estate taxes	61,855	59,031	2,824
Other operating expenses	7,836	8,496	(660)
Total operating expenses	$365,098	353,348	11,750

Depreciation and amortization decreased as follows:

- $2.9 million decrease from the sale of operating properties;
- $1.9 million increase primarily from operations beginning at development properties and acquisition of operating properties.

Operating and maintenance costs increased as follows:

- $1.6 million increase from operations beginning at development properties;
- $2.9 million increase at same properties primarily driven by increases in property management fees, landscaping, and parking lot maintenance costs;
- $2.1 million increase relating to acquisition of operating properties;
- reduced by $1.4 million from the sale of operating properties.

General and administrative expenses increased as follows:

- $3.9 million of higher compensation costs, including $2.2 million associated with executive management changes at December 31, 2015;
- $2.3 million of lower development overhead capitalization based on fewer new development and redevelopment projects started in 2015;
- reduced by $1.1 million from the decrease in the value of participant obligations within the deferred compensation plan.

Real estate taxes increased as follows:

- $690,000 increase from acquisition of operating properties;
- $510,000 increase relating to operations beginning at development properties; and,
- $2.0 million increase at same properties from increased tax assessments;
- reduced by approximately $360,000 from the sale of operating properties.

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The following table presents the components of other expense (income):

(in thousands)	2015	2014	Change
Interest expense, net			
Interest on notes payable	$98,485	104,938	(6,453)
Interest on unsecured credit facilities	3,566	3,539	27
Capitalized interest	(6,739)	(7,142)	403
Hedge expense	8,900	9,366	(466)
Interest income	(1,590)	(1,210)	(380)
Interest expense, net	102,622	109,491	(6,869)
Provision for impairment	—	1,257	(1,257)
Early extinguishment of debt	8,239	18	8,221
Net investment (income) loss	(625)	(9,449)	8,824
Gain on remeasurement of investment in real estate partnership	—	(18,271)	18,271
Total other expense (income)	$110,236	83,046	27,190

The $6.9 million decrease in interest expense, net is mainly due to lower interest rates from refinancing our long-term debt during 2014 and 2015 and lower outstanding balances on notes payable.

We did not recognize impairment losses during 2015. During the year ended December 31, 2014, we recognized a $1.1 million loss on the disposal of one operating property and one land parcel and a $175,000 impairment on two parcels of land held.

During November 2015, we incurred an $8.2 million charge from a make-whole premium on our $100.0 million early redemption of the $400.0 million outstanding 5.875% senior unsecured notes that are due in 2017.

Net investment income decreased $8.8 million, largely driven by an $8.1 million gain realized on the sale of available-for-sale securities in 2014 and a $1.1 million decrease in the fair value of plan assets in the non-qualified deferred compensation plan during 2015, which is consistent with the change in plan liabilities included in general and administrative expenses above.

During the year ended December 31, 2014, we acquired the remaining 50% interest and gained control of a previously unconsolidated investment in a real estate partnership that owns a single operating property. As the operating property constitutes a business, acquisition of control was accounted for as a step acquisition, and the net assets acquired were recognized at fair value. The gain of $18.3 million was recognized as the difference between the fair value and carrying value of the Company's previously held equity interest, using an income approach to measure fair value.

Our equity in income of investments in real estate partnerships increased (decreased) as follows:

(in thousands)	Regency's Ownership	2015	2014	Change
GRI - Regency, LLC (GRIR)	40.00%	$18,148	13,727	4,421
Columbia Regency Retail Partners, LLC (Columbia I)	20.00%	(278)	1,431	(1,709)
Columbia Regency Partners II, LLC (Columbia II)	20.00%	755	233	522
Cameron Village, LLC (Cameron)	30.00%	643	1,008	(365)
RegCal, LLC (RegCal)	25.00%	576	966	(390)
US Regency Retail I, LLC (USAA)	20.01%	807	567	240
Other investments in real estate partnerships	50.00%	1,857	13,338	(11,481)
Total equity in income of investments in real estate partnerships		$22,508	31,270	(8,762)

The $8.8 million net decrease is largely attributed to:

GRIR: $4.4 million increase driven by:

- $1.3 million increase in base rent from occupancy and rental rate growth,
- $1.8 million decrease in depreciation due to higher depreciation expense in 2014 relating to redevelopment activity,
- Reduced interest expense roughly $800,000 by paying off or refinancing property debt at better rates in 2014 and 2015.

Columbia I: $1.8 million decrease from impairment loss upon the sale of one operating property during 2015;

Columbia II: $424,000 increase due to impairment losses recognized upon the sale of two properties during 2014; and

Other investments in real estate partnerships: $11.4 million decrease within our other investment partnerships driven by the $10.9 million gains on the sale of two land parcels and two operating properties during 2014.

The following represents the remaining components that comprise net income attributable to the common stockholders and unit holders:

(in thousands)	2015	2014	Change
Income from continuing operations before tax	$116,937	132,774	(15,837)
Income tax (benefit) of taxable REIT subsidiary	—	(996)	996
Gain on sale of real estate	35,606	55,077	(19,471)
Income attributable to noncontrolling interests	(2,487)	(1,457)	(1,030)
Preferred stock dividends	(21,062)	(21,062)	—
Net income attributable to common stockholders	$128,994	166,328	(37,334)
Net income attributable to exchangeable operating partnership units	240	319	(79)
Net income attributable to common unit holders	$129,234	166,647	(37,413)

A $1.0 million tax benefit was recognized in 2014 upon the receipt of a state tax refund from amending our prior tax returns.

We recognized $35.6 million of gains on the sale of real estate, net of taxes, in 2015 attributable to the sale of five operating properties and two land parcels as compared to $55.1 million of gains on the sale of real estate, net of taxes, in 2014 attributable to the sale of eleven operating properties and six land parcels.

Income attributable to noncontrolling interests increased $1.0 million due to to the 2014 acquisition of a portfolio held within a consolidated partnership, coupled with new operating activity from a development beginning operations and a recent redevelopment completion within our consolidated partnerships.

Comparison of the years ended December 31, 2014 and 2013:

Our revenues increased as summarized in the following table:

(in thousands)	2014	2013	Change
Minimum rent	$390,697	353,833	36,864
Percentage rent	3,488	3,583	(95)
Recoveries from tenants	108,434	95,902	12,532
Other income	11,184	10,592	592
Management, transaction, and other fees	24,095	25,097	(1,002)
Total revenues	$537,898	489,007	48,891

Minimum rent increased as follows:

- $16.8 million increase due to the acquisitions of operating properties;
- $12.3 million increase from operations beginning at development properties; and
- $9.9 million increase in minimum rent from same properties, with $4.4 million relating to redevelopment properties, and $5.5 million relating to higher rental rates and rent paying occupancy growth;
- reduced by a $2.2 million decrease from the sale of operating properties.

Recoveries from tenants represent reimbursements to us for tenants' pro-rata share of the operating, maintenance, and

real estate tax expenses that we incur to operate our shopping centers. Recoveries from tenants increased as follows:

- $3.8 million increase due to the acquisition of operating properties;
- $3.5 million increase from operations beginning at development properties during 2014 and 2013; and,

- $6.2 million increase in recoveries at same properties, which was driven by an increase in occupancy and recoverable costs;
- reduced by $1.0 million decrease from the sale of operating properties.

Other income, which consists of incidental income earned at our centers, increased primarily as a result of settlement and lease termination fee income earned in 2014.

We earn fees, at market-based rates, for asset management, property management, leasing, acquisition, and financing services that we provided to our co-investment partnerships and third parties as follows:

(in thousands)	2014	2013	Change
Asset management fees	$6,013	6,205	(192)
Property management fees	13,020	13,692	(672)
Leasing commissions and other fees	5,062	5,200	(138)
Total management, transaction, and other fees	$24,095	25,097	(1,002)

Asset and property management fees decreased due to the liquidation of one unconsolidated real estate partnership consisting of nine properties during the third quarter of 2013.

Changes in our operating expenses are summarized in the following table:

(in thousands)	2014	2013	Change
Depreciation and amortization	$147,791	130,630	17,161
Operating and maintenance	77,788	71,018	6,770
General and administrative	60,242	61,234	(992)
Real estate taxes	59,031	53,726	5,305
Other operating expenses	8,496	8,079	417
Total operating expenses	$353,348	324,687	28,661

Depreciation and amortization increased as follows:

- $9.9 million increase from the acquisition of operating properties;
- $5.5 million increase from operations beginning at development properties; and,
- $2.6 million increase at same properties, attributable to redevelopments and recent capital improvements being depreciated;
- reduced by $800,000 from the sale of operating properties.

Operating and maintenance costs increased as follows:

- $2.6 million increase from operations beginning at development properties;
- $2.4 million increase at same properties, attributable to an increase in snow removal costs; and,
- $2.0 million increase relating to the acquisition of operating properties;
- reduced by approximately $200,000 from the sale of operating properties.

General and administrative expenses decreased approximately $1.0 million largely due to greater capitalization of development overhead costs by $4.4 million, stemming from higher volume of development projects, offset by an increase of $4.6 million of higher incentive compensation expense during 2014. Additionally, changes in participant obligations within the deferred compensation plan resulted in a $1.9 million decrease in expense.

Real estate taxes increased as follows:

- $2.6 million increase from the acquisition of operating properties;

- $1.6 million increase relating to operations beginning at development properties; and,
- $1.4 million increase at same properties from increased tax assessments;
- reduced by approximately $300,000 from the sale of operating properties.

The following table presents the components of other expense (income):

(in thousands)	2014	2013	Change
Interest expense, net			
Interest on notes payable	104,938	103,143	1,795
Interest on unsecured credit facilities	3,539	3,937	(398)
Capitalized interest	(7,142)	(6,078)	(1,064)
Hedge expense	9,366	9,607	(241)
Interest income	(1,210)	(1,643)	433
Interest expense, net	109,491	108,966	525
Provision for impairment	1,257	6,000	(4,743)
Early extinguishment of debt	18	32	(14)
Net investment (income) loss	(9,449)	(3,257)	(6,192)
Gain on remeasurement of investment in real estate partnership	(18,271)	—	(18,271)
Total other expense (income)	$83,046	111,741	(28,695)

Our interest expense, net increased $525,000 mainly due to the $77.8 million of mortgage debt assumed with a portfolio acquisition in the first quarter of 2014, offset by additional capitalized interest on development projects.

During 2014, we recognized a $1.1 million of loss on the disposal of one operating property and one land parcel and a $175,000 impairment on two parcels of land held. During the year ended December 31, 2013, we recognized a $6.0 million impairment on a single operating property.

Net investment income increased $6.2 million, largely driven by an $8.1 million gain realized on the sale of available-for-sale securities offset by a $1.9 million decrease in net investment income from the deferred compensation plan relating to the change in the fair value of plan assets.

During 2014, we acquired the remaining 50% interest and gained control of a previously unconsolidated investment in a real estate partnership that owns a single operating property. As the operating property constitutes a business, acquisition of control was accounted for as a step acquisition, and the net assets acquired were recognized at fair value. The gain of $18.3 million was recognized as the difference between the fair value and carrying value of the Company's previously held equity interest, using an income approach to measure fair value.

Our equity in income of investments in real estate partnerships (decreased) increased as follows:

(in thousands)	Regency's Ownership	2014	2013	Change
GRI - Regency, LLC (GRIR)	40.00%	$13,727	12,789	938
Macquarie CountryWide-Regency III, LLC (MCWR III) [1]	—%	—	53	(53)
Columbia Regency Retail Partners, LLC (Columbia I)	20.00%	1,431	1,727	(296)
Columbia Regency Partners II, LLC (Columbia II)	20.00%	233	1,274	(1,041)
Cameron Village, LLC (Cameron)	30.00%	1,008	662	346
RegCal, LLC (RegCal)	25.00%	966	332	634
Regency Retail Partners, LP (the Fund) [2]	20.00%	27	7,749	(7,722)
US Regency Retail I, LLC (USAA)	20.01%	567	487	80
BRE Throne Holdings, LLC (BRET) [3]	—%	—	4,499	(4,499)
Other investments in real estate partnerships	50.00%	13,311	2,146	11,165
Total equity in income of investments in real estate partnerships		$31,270	31,718	(448)

[1] As of December 31, 2012, our ownership interest in MCWR III was 24.95%. The liquidation of MCWR III was complete effective March 20, 2013.
[2] On August 13, 2013, the Fund sold 100% of its interest in its entire portfolio of shopping centers to a third party. The Fund will be dissolved following the final distribution of proceeds in 2014.
[3] On October 23, 2013, the Company sold 100% of its interest in the BRET unconsolidated real estate partnership and received a capital distribution of $47.5 million, its share of the undistributed income of the partnership, and a redemption premium. Regency no longer has any interest in the BRET partnership.

The decrease in our equity in income of investments in real estate partnerships is principally due to the following:

- GRIR: $947,000 increase from gain on one operating property disposal in 2014;
- Columbia II: $1.0 million decrease due to $424,000 of impairment losses recognized upon sale of two properties in 2014 compared to $830,000 of gains recognized in 2013 on the sale of four operating properties and one land parcel;
- RegCal: $654,000 gain on one operating property disposal in 2014;
- The Fund: All operating properties were sold in August 2013 for gains of $7.4 million. The only activity in 2014 was collection of remaining receivables and the final distribution;
- BRET: $4.5 million decrease from liquidating our ownership interest in October 2013; and,
- Other investments in real estate partnerships: $11.2 million increase driven by 2014 gains of $10.9 million on the sale of two land parcels and two operating properties.

The following represents the remaining components that comprise net income attributable to the common stockholders and unit holders:

(in thousands)	2014	2013	Change
Income from continuing operations before tax	$132,774	84,297	48,477
Income tax (benefit) of taxable REIT subsidiary	(996)	—	(996)
Discontinued operations			
Gain on sale of operating properties, net of tax	—	57,953	(57,953)
Operating income	—	7,332	(7,332)
(Loss) income from discontinued operations	—	65,285	(65,285)
Gain on sale of real estate	55,077	1,703	53,374
Income attributable to noncontrolling interests	(1,457)	(1,481)	24
Preferred stock dividends	(21,062)	(21,062)	—
Net income attributable to common stockholders	$166,328	128,742	37,586
Net income attributable to exchangeable operating partnership units	319	276	43
Net income attributable to common unit holders	$166,647	129,018	37,629

A $1.0 million tax benefit was recognized in 2014 upon the receipt of a state tax refund from amending our prior tax returns. We recognized $55.1 million of gains on sale of real estate, net of taxes, in 2014 attributable to the sale of eleven operating properties and six land parcels.

We recognized a gain on sale of real estate of $55.1 million during 2014 from the sale of eleven operating properties compared to $58.0 million during 2013 from the sale of twelve operating properties.

Supplemental Earnings Information

We use certain non-GAAP performance measures, in addition to the required GAAP presentations, as we believe these measures are beneficial to us in improving the understanding of the Company's operational results among the investing public. We believe such measures make comparisons of other REITs' operating results to the Company's more meaningful. We continually evaluate the usefulness, relevance, and calculation of our reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change.

Pro-Rata Same Property NOI:

Our pro-rata same property NOI grew 4.1% from the following major components:

(in thousands)	2015	2014	Change
Base rent	$468,085	451,031	17,054
Percentage rent	5,066	4,885	181
Recovery revenue	136,928	130,922	6,006
Other income	7,644	8,985	(1,341)
Operating expenses	169,047	164,656	4,391
Pro-rata same property NOI [1]	$448,676	431,167	17,509

[1] See the end of the Supplemental Earnings Information section for a reconciliation to the nearest GAAP measure.

Pro-rata same property base rent increased $17.1 million, driven by $5.8 million increase in contractual rent steps and $11.2 million increase in rental rate growth and changes in occupancy.

Pro-rata same property recovery revenue increased $6.0 million due to improvements in rent paying occupancy and increases in recoverable costs.

Pro-rata same property other income decreased $1.3 million during 2015 as a result of a large settlement fee earned in 2014.

Pro-rata same property operating expenses increased $4.4 million primarily associated with increased real estate taxes, property management fees, cleaning, and landscaping costs.

Same Property Rollforward:

Our same property pool includes the following property count, pro-rata GLA, and changes therein:

(GLA in thousands)	2015 Property Count	GLA	2014 Property Count	GLA
Beginning same property count	298	25,526	304	25,109
Acquired properties owned for entirety of comparable periods	4	427	6	560
Developments that reached completion by beginning of earliest comparable period presented	3	790	5	360
Disposed properties	(5)	(260)	(17)	(680)
SF adjustments [1]	—	25	—	177
Ending same property count	300	26,508	298	25,526

[1] SF adjustments arise from remeasurements or redevelopments.

NAREIT FFO and Core FFO:

Our reconciliation of net income available to common shareholders to NAREIT FFO and Core FFO is as follows:

(in thousands, except share information)	2015	2014
Reconciliation of Net income to NAREIT FFO		
Net income attributable to common stockholders	$ 128,994	166,328
Adjustments to reconcile to NAREIT FFO:		
Depreciation and amortization [1]	182,103	184,750
Provision for impairment [2]	1,820	983
Gain on sale of operating properties, net of tax [2]	(36,642)	(64,960)
Gain on remeasurement of investment in real estate partnership	—	(18,271)
Exchangeable partnership units	240	319
NAREIT FFO attributable to common stockholders	$ 276,515	269,149
Reconciliation of NAREIT FFO to Core FFO		
NAREIT FFO	$ 276,515	269,149
Adjustments to reconcile to Core FFO:		
Development and acquisition pursuit costs [2][3]	2,409	2,598
Income tax	—	(996)
Gain on sale of land [2]	(73)	(3,731)
Provision for impairment to land [2]	—	699
Interest rate swap ineffectiveness [2]	5	30
Early extinguishment of debt [2]	8,239	51
Change in executive management	2,193	—
Gain on sale of AmREIT stock, net of costs [3]	—	(5,960)
Dividends from investments	(416)	(334)

Core FFO attributable to common stockholders	$ 288,872	261,506

[1] Includes Regency's pro-rata share of unconsolidated co-investment partnerships, net of pro-rata share attributable to noncontrolling interests.
[2] Includes Regency's pro-rata share of unconsolidated co-investment partnerships.
[3] 2014 development and acquisition pursuit costs exclude AmREIT, Inc. ("AmREIT") pursuit costs of $1.8 million, which are shown net with the gain on sale of AmREIT stock.

Reconciliation of Same Property NOI to Nearest GAAP Measure:

Our reconciliation of property revenues and property expenses to Same Property NOI, on a pro-rata basis, is as follows:

(in thousands)	2015 Same Property	Other [1]	Total	2014 Same Property	Other [1]	Total
Income from continuing operations	$233,580	(116,643)	116,937	218,753	(85,979)	132,774
Less:						
Management, transaction, and other fees	—	25,563	25,563	—	24,095	24,095
Other [2]	6,977	3,081	10,058	8,452	1,590	10,042
Plus:						
Depreciation and amortization	129,837	16,992	146,829	130,962	16,829	147,791
General and administrative	—	65,600	65,600	—	60,242	60,242
Other operating expense, excluding provision for doubtful accounts	536	4,937	5,473	933	5,606	6,539
Other expense (income)	26,352	83,884	110,236	29,661	53,385	83,046
Equity in income (loss) of investments in real estate excluded from NOI [3]	65,348	1,787	67,135	59,310	(1,439)	57,871
Pro-rata NOI	$448,676	27,913	476,589	431,167	22,959	454,126

[1] Includes revenues and expenses attributable to non-same property, sold property, development property, and corporate activities.
[2] Includes straight-line rental income, net of reserves, above and below market rent amortization, banking charges, and other fees.
[3] Includes non-NOI expenses incurred at our unconsolidated real estate partnerships, including those separated out above for our consolidated properties.

Liquidity and Capital Resources

Our Parent Company has no capital commitments other than its guarantees of the commitments of our Operating Partnership. The Parent Company will from time to time access the capital markets for the purpose of issuing new equity and will simultaneously contribute all of the offering proceeds to the Operating Partnership in exchange for additional partnership units. All debt is issued by our Operating Partnership or by our co-investment partnerships. The following table represents the remaining available capacity under our at the market ("ATM") equity program and our unsecured credit facilities:

(in thousands)	December 31, 2015
ATM equity program (see note 12)	
Total capacity	$200,000
Remaining capacity	$83,300
Line of Credit (the "Line") (see note 9)	
Total capacity	$800,000
Remaining capacity [1]	$794,100
Maturity [2]	May 2019

[1] Net of letters of credit.
[2] The Company has the option to extend the maturity for two additional six-month periods.

The following table summarizes net cash flows related to operating, investing, and financing activities of the Company:

(in thousands)	2015	2014	Change
Net cash provided by operating activities	$275,637	277,742	(2,105)
Net cash used in investing activities	(139,346)	(210,290)	70,944
Net cash used in financing activities	(213,211)	(34,360)	(178,851)
Net (decrease) increase in cash and cash equivalents	(76,920)	33,092	(110,012)
Total cash and cash equivalents	$36,856	113,776	(76,920)

Net cash provided by operating activities:

Net cash provided by operating activities increased by $2.1 million during 2015 as compared to 2014 due to:

- $18.3 million increase in cash from operating income; and
- $3.9 million increase in operating cash flow distributions from our unconsolidated real estate partnerships as several redevelopment projects were completed and began distributing cash flows; reduced by,
- $12.3 million net decrease in cash due to timing of cash receipts and payments related to operating activities; and
- $11.9 million decrease in cash from payments to settle our treasury hedges in connection with our bond issuances. During 2015 we paid $7.3 million as compared to receiving $4.6 million in 2014 because of changes in the underlying ten year treasury rates.

We operate our business such that we expect net cash provided by operating activities will provide the necessary funds to pay our distributions to our common and preferred stock and unit holders, which were $202.8 million and $194.0 million for the years ended December 31, 2015 and 2014, respectively. Our dividend distribution policy is set by our Board of Directors who monitors our financial position. Our Board of Directors recently declared our common stock quarterly dividend of $0.500 per share, payable on March 3, 2016. Future dividends will be declared at the discretion of our Board of Directors and will be subject to capital requirements and availability. We plan to continue

paying an aggregate amount of distributions to our stock and unit holders that, at a minimum, meet the requirements to continue qualifying as a REIT for federal income tax purposes.

Net cash used in investing activities:

Net cash used in investing activities decreased by $70.9 million primarily due to a decrease in shopping center acquisitions and development expenditures during 2015:

(in thousands)	2015	2014	Change
Cash flows from investing activities:			
Acquisition of operating real estate	$(42,983)	(112,120)	69,137
Advance deposits on acquisition of operating real estate	(2,250)	—	(2,250)
Real estate development and capital improvements	(205,103)	(238,237)	33,134
Proceeds from sale of real estate investments	108,822	118,787	(9,965)
Collection of notes receivable	1,719	—	1,719
Investments in real estate partnerships	(20,054)	(23,577)	3,523
Distributions received from investments in real estate partnerships	23,801	37,152	(13,351)
Dividends on investments	243	243	—
Acquisition of securities	(31,941)	(23,760)	(8,181)
Proceeds from sale of securities	28,400	31,222	(2,822)
Net cash used in investing activities	$(139,346)	(210,290)	70,944

Significant investing and divesting activities included:

- We acquired one shopping center in 2015, compared to four during 2014.

- We received proceeds of $108.8 million from the sale of five shopping centers and two out-parcels in 2015, compared to $118.8 million for eleven shopping centers and six out-parcels in 2015.

- We invested $20.1 million in our unconsolidated partnerships during 2015 to fund our share of maturing mortgage debt and redevelopment activities. In 2014, we invested $23.6 million to acquire an operating property and to fund redevelopment activity.

- Distributions from our unconsolidated partnerships include return of capital from sales or financing proceeds. The $23.8 million received in 2015 includes $12.8 million of proceeds from the sale of one shopping center with a co-investment partner and $11.0 million of financing proceeds. Distributions in 2014 were from real estate sales proceeds of $32.1 million and $5.1 million from refinancing a loan.

- Acquisition of securities and proceeds from sale of securities include investments in equity and debt securities. During 2015, we invested $7.9 million of funds held in our captive insurance subsidiary in available-for-sale marketable securities. Our insurance subsidiary is required to maintain statutory minimum capital and surplus, and therefore, our access to these securities may be limited. In 2014, we paid $14.3 million for the acquisition of AmREIT common stock, and received $22.1 million in proceeds upon the subsequent sale. The remaining activity, during both 2015 and 2014, primarily relating to our deferred compensation plan.

We plan to continue developing and redeveloping shopping centers for long-term investment purposes. We deployed capital of $205.1 million for the development, redevelopment, and improvement of our real estate properties as comprised of the following:

(in thousands)	2015	2014	Change
Capital expenditures:			
Land acquisitions for development / redevelopment	$5,135	34,650	(29,515)
Building and tenant improvements	30,103	35,759	(5,656)
Redevelopment costs	50,933	48,853	2,080
Development costs	100,111	98,367	1,744
Capitalized interest	6,740	7,141	(401)
Capitalized direct compensation	12,081	13,467	(1,386)
Real estate development and capital improvements	$205,103	238,237	(33,134)

- During 2015 we acquired two land parcels for new development projects as compared to six in 2014.

- Building and tenant improvements decreased $5.7 million during the year ended December 31, 2015 primarily related to timing of capital projects.

- Redevelopment expenditures were higher during 2015 due to the timing, magnitude, and number of projects currently in process. We intend to continuously improve our portfolio of shopping centers through redevelopment which can include adjacent land acquisition, existing building expansion, new out-parcel building construction, and tenant improvement costs. The size and scope of each redevelopment project varies with each redevelopment plan.

- The $1.7 million increase in our development project expenditures was due to the size of and progress on developments. See the table below for a detail of current and recently completed development projects.

- Capitalized direct compensation represents overhead costs of our development and construction team directly related to the development projects, with the majority of capitalizable direct compensation costs incurred at or near inception of a development project. The decreased number and size of projects starting in 2015 as compared to 2014 resulted in the decrease in capitalized compensation costs. During 2015 we started $106.1 million of development and redevelopment projects as compared to $213.7 million in 2014.

We have a staff of employees who directly support our development and redevelopment program. Internal compensation costs directly attributable to these activities are capitalized as part of each project as summarized in the table above. Changes in the level of future development and redevelopment activity could adversely impact results of operations by reducing the amount of internal costs for development and redevelopment projects that may be capitalized. A 10% reduction in development and redevelopment activity without a corresponding reduction in the compensation costs directly related to our development and redevelopment activities could result in an additional charge to net income of $1.4 million per year.

As of December 31, 2015 and 2014, we had seven development projects that were either under construction or in lease up. The following table summarizes our development projects:

December 31, 2015

(in thousands, except cost PSF)

Property Name	Location	Start Date	Estimated Net Development Costs [1]	% of Costs Incurred	GLA	Cost PSF GLA [1]	Estimated/Actual Anchor Opens
Brooklyn Station on Riverside	Jacksonville, FL	Q4-13	15,070	84%	50	301	Oct-14
Willow Oaks Crossing	Concord, NC	Q2-14	13,777	95%	69	200	Dec-15
CityLine Market		Q3-14	27,740	78%	80	347	Apr-16

	Richardson, TX								
Belmont Shopping Center	Ashburn, VA	Q3-14	28,286	88	%	91	311		Aug-15
The Village at La Floresta	Brea, CA	Q4-14	33,116	83	%	87	381		Feb-16
CityLine Market Phase II	Richardson, TX	Q4-15	6,172	43	%	21	281		May-16
Northgate Marketplace Phase II	Medford, OR	Q4-15	39,690	12	%	179	222		Nov-16
			$163,851	65	%	577	$284	(2)	

(1) Includes leasing costs, and is net of tenant reimbursements.

(2) Amount represents a weighted average.

The following table summarizes our completed development projects:
December 31, 2015
(in thousands, except cost PSF)

Property Name	Location	Completion Date	Net Development Costs [1]	GLA	Cost PSF GLA [1]
Fountain Square	Miami, FL	6/30/2015	$55,937	177	$316
Persimmon Place	Dublin, CA	9/30/2015	59,976	153	392
Total			$115,913	330	$351

[1] Includes leasing costs, and is net of tenant reimbursements.

Net cash used in financing activities:

Net cash flows used in financing activities increased by $178.9 million during 2015 primarily from debt repayments, net of proceeds from debt and equity issuances, as follows:

(in thousands)	2015	2014	Change
Cash flows from financing activities:			
Equity issuances	$198,494	102,453	96,041
Stock and operating partnership unit redemptions	—	(300)	300
(Distributions to) contributions from limited partners in consolidated partnerships, net	(5,341)	(5,303)	(38)
Dividend payments	(202,753)	(193,962)	(8,791)
Unsecured credit facilities, net	90,000	—	90,000
Debt issuance	238,435	258,378	(19,943)
Debt repayment	(532,046)	(195,626)	(336,420)
Other	—	—	—
Net cash used in financing activities	$(213,211)	(34,360)	(178,851)

Significant financing activities during the years ended December 31, 2015 and 2014 include:

- During 2015, the Parent Company issued 2.9 million shares of common stock in an underwritten forward public equity offering that settled in November 2015 resulting in net proceeds of $185.8 million. Additionally, the Parent company issued 189,000 shares of common stock through its ATM program at an average price of $67.86 per share resulting in net proceeds of $12.7 million. During 2014, the Parent Company issued 1.7 million shares of common stock through our ATM program at an average price of $60.00 per share. The proceeds were used to repay debt and fund investment activities.

- During 2015, we increased our dividend distribution rate on our common stock and operating partnership units.

- During 2015, we borrowed $90.0 million on our Term Loan, with no such borrowings during 2014.

- During both 2015 and 2014, we issued new $250.0 million fixed rate ten-year unsecured public debt, net of discount and issuance costs, and received proceeds of $4.3 million and $10 million from a non-recourse property mortgages during 2015 and 2014, respectively.

- During 2015, we used $532.0 million to repay debt, including $350.0 million to repay our 5.25% fixed rate ten-year unsecured public debt that matured in August 2015, $100 million to redeem a portion of our 2017 unsecured public debt in November 2015, $76.2 million to repay three mortgages that matured in 2015, and $5.9 million for scheduled principal payments. During 2014, we used $195.6 million to repay debt, including $150.0 million to repay our 4.95%

fixed-rate ten-year unsecured public debt that matured, $38.7 million to repay mortgages that matured in 2014, and $6.9 million for scheduled principal payments.

We endeavor to maintain a high percentage of unencumbered assets. As of December 31, 2015, 80.3% of our wholly-owned real estate assets were unencumbered. Such assets allow us to access the secured and unsecured debt markets and to maintain availability on the Line. Our coverage ratio, including our pro-rata share of our partnerships, was 2.8 and 2.5 times for the trailing four quarters ended December 31, 2015 and December 31, 2014, respectively. We define our coverage ratio as earnings before interest, taxes, investment transaction profits net of deal costs, depreciation and amortization (“Core EBITDA”)

divided by the sum of the gross interest and scheduled mortgage principal paid to our lenders plus dividends paid to our preferred stockholders.

Through the end of 2016, we estimate that we will require approximately $198.7 million of cash, including $126.2 million to complete in-process developments and redevelopments, $41.4 million to repay maturing debt, and $31.1 million to fund our pro-rata share of estimated capital contributions to our co-investment partnerships for repayment of debt. If we start new developments or redevelop additional shopping centers, our cash requirements will increase. If we refinance maturing debt, our cash requirements will decrease. To meet our cash requirements, we may utilize cash generated from operations, proceeds from the sale of real estate, available borrowings from our Line, and when the capital markets are favorable, proceeds from the sale of equity and the issuance of new long-term debt.

We continuously monitor the capital markets and evaluate our ability to issue new debt, to repay maturing debt or fund
our commitments. Based upon the current capital markets, our current credit ratings, and the number of high quality, unencumbered properties that we own which could collateralize borrowings, we currently expect that we will successfully issue
new secured or unsecured debt to fund our obligations, as needed.

We have $300.0 million of fixed rate, unsecured debt maturing June 15, 2017. We expect to issue new fixed rate unsecured debt in 2017. In order to mitigate the risk of interest rate volatility, we previously entered into $220.0 million of forward starting interest rate swaps to partially hedge the new long-term debt issued in 2017. These interest rate swaps lock in the 10-year treasury rate and swap spread at a weighted average fixed rate of 3.48%, respectively. A current market based credit spread applicable to Regency will be added to the locked in fixed rate at time of issuance that will determine the final bond yield. We will cash settle these forward starting interest rate swaps when we issue the new debt. The actual cash settlement may differ from the current fair value of these interest rate swaps based on movements in interest rates.

Our Line, Term Loan, and unsecured loans require that we remain in compliance with various covenants, which are described in Note 9 to the Consolidated Financial Statements. We are in compliance with these covenants at December 31, 2015 and expect to remain in compliance.

Contractual Obligations

We have debt obligations related to our mortgage loans, unsecured notes, unsecured credit facilities and interest rate swap obligations as described further below and in Note 9 and Note 10 to the Consolidated Financial Statements. We have shopping centers that are subject to non-cancelable long-term ground leases where a third party owns and has leased the underlying land to us to construct and/or operate a shopping center. In addition, we have non-cancelable operating leases pertaining to office space from which we conduct our business.

The following table of Contractual Obligations summarizes our debt maturities, including our pro-rata share of obligations within co-investment partnerships as of December 31, 2015, and excludes the following:

- Recorded debt premiums or discounts that are not obligations;
- Obligations related to construction or development contracts, since payments are only due upon satisfactory performance under the contracts;
- Letters of credit of $5.9 million issued to cover performance obligations on certain development projects, which will be satisfied upon completion of the development projects; and

- Obligations for retirement savings plans due to uncertainty around timing of participant withdrawals, which are solely within the control of the participant, and are further discussed in Note 14 to the Consolidated Financial Statements.

	Payments Due by Period						
(in thousands)	2016	2017	2018	2019	2020	Beyond 5 Years	Total
Notes payable:							
Regency [1]	$135,616	497,180	122,626	329,140	280,824	909,264	$2,274,650
Regency's share of joint ventures [1] [2]	59,278	44,641	46,087	39,511	101,004	329,155	619,676
Operating leases:							
Regency	3,707	2,823	2,475	2,203	2,066	10,154	23,428
Subleases:							
Regency	(123)	(46)	—	—	—	—	(169)
Ground leases:							
Regency	4,866	4,822	4,899	4,903	4,327	243,746	267,563
Regency's share of joint ventures	414	414	414	420	422	41,346	43,430
Total	$203,758	549,834	176,501	376,177	388,643	1,533,665	$3,228,578

[1] Includes interest payments.
[2] We are obligated to contribute our pro-rata share to fund maturities if they are not refinanced. We believe that our partners are financially sound and have sufficient capital or access thereto to fund future capital requirements. In the event that a co-investment partner was unable to fund its share of the capital requirements of the co-investment partnership, we would have the right, but not the obligation, to loan the defaulting partner the amount of its capital call.

Critical Accounting Estimates

Knowledge about our accounting policies is necessary for a complete understanding of our financial statements. The preparation of our financial statements requires that we make certain estimates that impact the balance of assets and liabilities as of a financial statement date and the reported amount of income and expenses during a financial reporting period. These accounting estimates are based upon, but not limited to, our judgments about historical and expected future results, current market conditions, and interpretation of industry accounting standards. They are considered to be critical because of their significance to the financial statements and the possibility that future events may differ from those judgments, or that the use of different assumptions could result in materially different estimates. We review these estimates on a periodic basis to ensure reasonableness; however, the amounts we may ultimately realize could differ from such estimates.

Accounts Receivable and Straight Line Rent

Minimum rent, percentage rent, and expense recoveries from tenants for common area maintenance costs, insurance and real estate taxes are the Company's principal source of revenue. As a result of generating this revenue, we will routinely have accounts receivable due from tenants. We are subject to tenant defaults and bankruptcies that may affect the collection of outstanding receivables. To address the collectability of these receivables, we analyze historical tenant collection rates, write-off experience, tenant credit-worthiness and current economic trends when evaluating the adequacy of our allowance for doubtful accounts and straight line rent reserve. Although we estimate

uncollectible receivables and provide for them through charges against income, actual experience may differ from those estimates.

Real Estate Investments

Acquisition of Real Estate Investments

Upon acquisition of real estate operating properties, the Company estimates the fair value of acquired tangible assets (consisting of land, building, building improvements and tenant improvements) and identified intangible assets and liabilities (consisting of above and below-market leases and in-place leases), assumed debt, and any noncontrolling interest in the acquiree at the date of acquisition, based on evaluation of information and estimates available at that date. Based on these estimates, the Company allocates the estimated fair value to the applicable assets and liabilities. Fair value is determined based on an exit price approach, which contemplates the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If, up to one year from the acquisition date, information regarding fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments are made to the purchase price allocation on a retrospective basis. The Company expenses transaction costs associated with business combinations in the period incurred.

We strategically co-invest with partners to own, manage, acquire, develop and redevelop operating properties. We analyze our investments in real estate partnerships in order to determine whether the entity should be consolidated. If it is determined that these investments do not require consolidation because the entities are not variable interest entities (“VIEs”), we are not considered the primary beneficiary of the entities determined to be VIEs, we do not have voting control, and/or the limited partners (or non-managing members) have substantive participatory rights, then the selection of the accounting method used to account for our investments in real estate partnerships is generally determined by our voting interests and the degree of influence we have over the entity. Management uses its judgment when making these determinations. We use the equity method of accounting for investments in real estate partnerships when we own 20% or more of the voting interests and have significant influence but do not have a controlling financial interest, or if we own less than 20% of the voting interests but have determined that we have significant influence. Under the equity method, we record our investments in and advances to these entities as investments in real estate partnerships in our consolidated balance sheets, and our proportionate share of earnings or losses earned by the joint venture is recognized in equity in income (loss) of investments in real estate partnerships in our consolidated statements of operations.

Development of Real Estate Assets and Cost Capitalization

We capitalize the acquisition of land, the construction of buildings, and other specifically identifiable development costs incurred by recording them in properties in development in our accompanying Consolidated Balance Sheets. Other specifically identifiable development costs include pre-development costs essential to the development process, as well as, interest, real estate taxes, and direct employee costs incurred during the development period. Once a development property is substantially complete and held available for occupancy, these indirect costs are no longer capitalized.

- Pre-development costs are incurred prior to land acquisition during the due diligence phase and include contract deposits, legal, engineering, and other professional fees related to evaluating the feasibility of developing a shopping center. If we determine it is probable that a specific project undergoing due diligence will not be developed, we immediately expense all related capitalized pre-development costs not considered recoverable.
- Interest costs are capitalized to each development project based on applying our weighted average borrowing rate to that portion of the actual development costs expended. We cease interest cost capitalization when the property is no longer being developed or is available for occupancy upon substantial completion of tenant improvements, but in no event would we capitalize interest on the project beyond 12 months after the anchor opens for business. During the years ended December 31, 2015, 2014, and 2013, we capitalized interest of $6.7 million, $7.1 million, and $6.1 million, respectively, on our development projects.
- Real estate taxes are capitalized to each development project over the same period as we capitalize interest.
- We have a staff of employees who directly support our development program. All direct internal costs attributable to these development activities are capitalized as part of each development project. The capitalization of costs is directly related to the actual level of development activity occurring. During the years ended December 31, 2015, 2014, and 2013, we capitalized $13.8 million, $16.1 million, and $11.7 million, respectively, of direct internal costs incurred to support our development program.

Valuation of Real Estate Investments

We evaluate whether there are any indicators that have occurred, including property operating performance and general market conditions, that would result in us determining that the carrying value of our real estate properties (including any related amortizable intangible assets or liabilities) may not be recoverable. If such indicators occur, we compare the current carrying value of the asset to the estimated undiscounted cash flows that are directly associated with the use and ultimate disposition of the asset. Our estimated cash flows are based on several key assumptions, including rental rates, costs of tenant improvements, leasing commissions, anticipated hold period, and assumptions regarding the residual value upon disposition, including the exit capitalization rate. These key assumptions are subjective in nature and the resulting impairment, if any, could differ from the actual gain or loss recognized upon ultimate sale in an arm's length transaction. If the carrying value of the asset exceeds the estimated undiscounted cash flows, an impairment loss is recognized equal to the excess of carrying value over fair value. Changes in our disposition strategy or changes in the marketplace may alter the hold period of an asset or asset group, which may result in an impairment loss and such loss could be material to the Company's financial condition or operating performance.

We evaluate our investments in real estate partnerships for impairment whenever there are indicators, including underlying property operating performance and general market conditions, that the value of our investments in real estate partnerships may be impaired. An investment in a real estate partnerships is considered impaired only if we determine that its fair value is less than the net carrying value of the investment in that real estate partnerships on an other-than-temporary basis. Cash flow projections for the investments consider property level factors, such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. We consider various qualitative factors to determine if a decrease in the value of our investment is other-than-temporary. These factors include the age of the real estate partnerships, our intent and ability to retain our investment in the entity, the financial condition and long-term prospects of the entity and relationships with our partners and banks. If we believe that the decline in the fair value of the investment is temporary, no impairment charge is recorded. If our analysis indicates that there is an other-than-temporary impairment related to the investment in a particular real estate partnership, the carrying value of the investment will be adjusted to an amount that reflects the estimated fair value of the investment.

The fair value of real estate investments is subjective and is determined through comparable sales information and other market data if available, or through use of an income approach such as the direct capitalization or the traditional discounted cash flow methods. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors, and therefore are subject to management judgment and changes in those factors could impact the determination of fair value. In estimating the fair value of undeveloped land, we generally use market data and comparable sales information.

Derivative Instruments

The Company utilizes financial derivative instruments to manage risks associated with changing interest rates. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or future payment of known and uncertain cash amounts, the amount of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash payments principally related to the Company's borrowings. For additional information on the Company’s use and accounting for derivatives, see Notes 1 and 10 to the Consolidated Financial Statements.

The Company assesses effectiveness of our cash flow hedges both at inception and on an ongoing basis. The effective portion of changes in fair value of the interest rate swaps associated with our cash flow hedges is recorded in other comprehensive income which is included in accumulated other comprehensive loss on our consolidated balance sheet and our consolidated statement of equity. Our cash flow hedges become ineffective if critical terms of the hedging instrument and the debt instrument do not perfectly match such as notional amounts, settlement dates, reset dates, calculation period and LIBOR rate. If a cash flow hedge is deemed ineffective, the ineffective portion of changes in fair value of the interest rate swaps associated with our cash flow hedges is recognized in earnings in the period affected.

The fair value of the Company's interest rate derivatives is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

Recent Accounting Pronouncements

See Note 1 to Consolidated Financial Statements.

Environmental Matters

We are subject to numerous environmental laws and regulations as they apply to our shopping centers pertaining to chemicals used by the dry cleaning industry, the existence of asbestos in older shopping centers, and underground petroleum storage tanks. We believe that the tenants who currently operate dry cleaning plants or gas stations do so in accordance with current laws and regulations. Generally, we use all legal means to cause tenants to remove dry cleaning plants from our shopping centers or convert them to more environmentally friendly systems. Where available, we have applied and been accepted into state-sponsored environmental programs. We have a blanket environmental insurance policy for third-party liabilities and remediation costs on shopping centers that currently have no known environmental contamination. We have also placed environmental insurance, where possible, on specific properties with known contamination, in order to mitigate our environmental risk. We monitor the shopping centers containing environmental issues and in certain cases voluntarily remediate the sites. We also have legal obligations to remediate certain sites and we are in the process of doing so.

As of December 31, 2015 we had accrued liabilities of $9.1 million for our pro-rata share of environmental remediation. We believe that the ultimate disposition of currently known environmental matters will not have a material effect on our financial position, liquidity, or results of operations; however, we can give no assurance that existing environmental studies on our shopping centers have revealed all potential environmental liabilities; that any previous owner, occupant or tenant did not create any material environmental condition not known to us; that the current environmental condition of the shopping centers will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated third parties; or that changes in applicable environmental laws and regulations or their interpretation will not result in additional environmental liability to us.

Off-Balance Sheet Arrangements

We do not have off-balance sheet arrangements, financings, or other relationships with other unconsolidated entities (other than our unconsolidated investment partnerships) or other persons, also known as variable interest entities, not

previously discussed. Our unconsolidated investment partnership properties have been financed with non-recourse loans. We have no guarantees related to these loans.

Inflation/Deflation

Inflation has been historically low and has had a minimal impact on the operating performance of our shopping centers; however, inflation may become a greater concern in the future. Substantially all of our long-term leases contain provisions designed to mitigate the adverse impact of inflation. Most of our leases require tenants to pay their pro-rata share of operating expenses, including common-area maintenance, real estate taxes, insurance and utilities, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, many of our leases are for terms of less than ten years, which permits us to seek increased rents upon re-rental at market rates. However, during deflationary periods or periods of economic weakness, minimum rents and percentage rents will decline as the supply of available retail space exceeds demand and consumer spending declines. Occupancy declines resulting from a weak economic period will also likely result in lower recovery rates of our operating expenses.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to two significant components of interest rate risk:

- We have an $800.0 million Line commitment and a $165.0 million Term Loan commitment, as further described in Note 9 to the Consolidated Financial Statements. Our Line commitment has a variable interest rate that is based upon an annual rate of LIBOR plus 0.925 basis points and our Term Loan has a variable rate of LIBOR plus 0.975 basis points. Our Line is subject to a fee on the $800.0 million total capacity. LIBOR rates charged on our Line and Term Loan (collectively our "unsecured credit facilities") change monthly. The spread on the unsecured credit facilities is dependent upon maintaining specific credit ratings. If our credit ratings are downgraded, the spread on the unsecured credit facilities would increase, resulting in higher interest costs.

- We are also exposed to changes in interest rates when we refinance our existing long-term fixed rate debt. The objective of our interest rate risk management program is to limit the impact of interest rate changes on earnings and cash flows. To achieve these objectives, we borrow primarily at fixed interest rates and may enter into derivative financial instruments such as interest rate swaps, caps, or treasury locks in order to mitigate our interest rate risk on a related financial instrument. We do not enter into derivative or interest rate transactions for speculative purposes. Our interest rate swaps are structured solely for the purpose of interest rate protection.

We have $300.0 million of fixed rate, unsecured debt maturing in June 2017. In order to mitigate the risk of interest rate volatility, we previously entered into $220.0 million of forward starting interest rate swaps to partially hedge the new debt expected to be issued in 2017. These interest rate swaps lock in the 10-year treasury rate and swap spread at a weighted average fixed rate of 3.48%. A current market based credit spread applicable to Regency will be added to the locked in fixed rate at time of issuance that will determine the final bond yield.

We continuously monitor the capital markets and evaluate our ability to issue new debt to repay maturing debt or fund our commitments. Based upon the current capital markets, our current credit ratings, our current capacity under our unsecured credit facilities, and the number of high quality, unencumbered properties that we own which could collateralize borrowings, we expect that we will be able to successfully issue new secured or unsecured debt to fund these debt obligations.

Our interest rate risk is monitored using a variety of techniques. The table below presents the principal cash flows, weighted average interest rates of remaining debt, and the fair value of total debt as of December 31, 2015 (dollars in thousands). The table is presented by year of expected maturity to evaluate the expected cash flows and sensitivity to interest rate changes. Although the average interest rate for variable rate debt is included in the table, those rates represent rates that existed as of December 31, 2015 and are subject to change on a monthly basis. Further, the table below incorporates only those exposures that exist as of December 31, 2015 and does not consider exposures or positions that could arise after that date. Since firm commitments are not presented, the table has limited predictive value. As a result, our ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period, our hedging strategies at that time, and actual interest rates.

	2016	2017	2018	2019	2020	Thereafter	Total	Fair Value
Fixed rate debt	$47,609	422,720	61,969	109,612	205,209	820,601	1,667,720	1,793,200
Average interest rate for all fixed rate debt [1]	5.20 %	4.94 %	4.87 %	4.57 %	4.25 %	4.25 %		
Variable rate LIBOR debt	$—	357	492	165,517	32,788	—	199,154	165,300
	— %	1.55 %	1.54 %	1.80 %	2.72 %	— %		

Average interest
rate for all variable
rate debt [1]

[1] Average interest rates at the end of each year presented.

Item 8. Consolidated Financial Statements and Supplementary Data

Regency Centers Corporation and Regency Centers, L.P.

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All other schedules are omitted because of the absence of conditions under which they are required, materiality or because information required therein is shown in the consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm
The Board of Directors and Stockholders
Regency Centers Corporation:

We have audited the accompanying consolidated balance sheets of Regency Centers Corporation and subsidiaries (the Company) as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2015. In connection with our audits of the consolidated financial statements, we also have audited financial statement Schedule III. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Regency Centers Corporation and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Regency Centers Corporation's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 18, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

February 18, 2016
Jacksonville, Florida
Certified Public Accountants

Report of Independent Registered Public Accounting Firm
The Board of Directors and Stockholders
Regency Centers Corporation:

We have audited Regency Centers Corporation's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Regency Centers Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, Regency Centers Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Regency Centers Corporation and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2015, and our report dated February 18, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

February 18, 2016
Jacksonville, Florida
Certified Public Accountants

Report of Independent Registered Public Accounting Firm
The Unit Holders of Regency Centers, L.P. and
the Board of Directors and Stockholders of
Regency Centers Corporation:

We have audited the accompanying consolidated balance sheets of Regency Centers, L.P. and subsidiaries (the Partnership) as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, capital, and cash flows for each of the years in the three-year period ended December 31, 2015. In connection with our audits of the consolidated financial statements, we also have audited financial statement Schedule III. These consolidated financial statements and financial statement schedule are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Regency Centers, L.P. and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Regency Centers, L.P.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 18, 2016 expressed an unqualified opinion on the effectiveness of the Partnership's internal control over financial reporting.

/s/ KPMG LLP

February 18, 2016
Jacksonville, Florida
Certified Public Accountants

Report of Independent Registered Public Accounting Firm
The Unit Holders of Regency Centers, L.P. and
the Board of Directors and Stockholders of
Regency Centers Corporation:

We have audited Regency Centers, L.P.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Regency Centers, L.P.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit.

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

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

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

In our opinion, Regency Centers, L.P. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Regency Centers, L.P. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, capital, and cash flows for each of the years in the three-year period ended December 31, 2015, and our report dated February 18, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

February 18, 2016
Jacksonville, Florida
Certified Public Accountants

REGENCY CENTERS CORPORATION
Consolidated Balance Sheets
December 31, 2015 and 2014
(in thousands, except share data)

	2015	2014
Assets		
Real estate investments at cost (notes 2 and 3):		
Land	$1,432,468	1,380,211
Buildings and improvements	2,896,396	2,790,137
Properties in development	217,036	239,538
	4,545,900	4,409,886
Less: accumulated depreciation	1,043,787	933,708
	3,502,113	3,476,178
Investments in real estate partnerships (note 4)	306,206	333,167
Net real estate investments	3,808,319	3,809,345
Cash and cash equivalents	36,856	113,776
Restricted cash	3,767	8,013
Accounts receivable, net of allowance for doubtful accounts of $5,295 and $4,523 at December 31, 2015 and 2014, respectively	32,292	30,999
Straight-line rent receivable, net of reserve of $1,365 and $652 at December 31, 2015 and 2014, respectively	63,392	55,768
Notes receivable (note 5)	10,480	12,132
Deferred costs, less accumulated amortization of $88,694 and $81,822 at December 31, 2015 and 2014, respectively	79,619	71,502
Acquired lease intangible assets, less accumulated amortization of $45,639 and $36,112 at December 31, 2015 and 2014, respectively (note 6)	105,380	52,365
Trading securities held in trust, at fair value (note 14)	29,093	28,134
Other assets	21,876	15,136
Total assets	$4,191,074	4,197,170
Liabilities and Equity		
Liabilities:		
Notes payable (note 9)	$1,707,478	1,946,357
Unsecured credit facilities (note 9)	165,000	75,000
Accounts payable and other liabilities	164,515	181,197
Acquired lease intangible liabilities, less accumulated accretion of $17,555 and $13,993 at December 31, 2015 and 2014, respectively (note 6)	42,034	32,143
Tenants' security and escrow deposits and prepaid rent	29,427	25,991
Total liabilities	2,108,454	2,260,688
Commitments and contingencies (notes 16 and 17)	—	—
Equity:		
Stockholders' equity (notes 12 and 13):		
Preferred stock, $0.01 par value per share, 30,000,000 shares authorized; 13,000,000 Series 6 and 7 shares issued and outstanding at December 31, 2015 and December 31, 2014, with liquidation preferences of $25 per share	325,000	325,000
Common stock $0.01 par value per share,150,000,000 shares authorized; 97,212,638 and 94,108,061 shares issued at December 31, 2015 and 2014, respectively	972	941
Treasury stock at cost, 417,862 and 425,246 shares held at December 31, 2015 and 2014, respectively	(19,658)	(19,382)

Additional paid in capital	2,742,508	2,540,153
Accumulated other comprehensive loss	(58,693)	(57,748)
Distributions in excess of net income	(936,020)	(882,372)
Total stockholders' equity	2,054,109	1,906,592
Noncontrolling interests (note 12):		
Exchangeable operating partnership units, aggregate redemption value of $10,502 and $9,833 at December 31, 2015 and 2014, respectively	(1,975)	(1,914)
Limited partners' interests in consolidated partnerships	30,486	31,804
Total noncontrolling interests	28,511	29,890
Total equity	2,082,620	1,936,482
Total liabilities and equity	$4,191,074	4,197,170

See accompanying notes to consolidated financial statements.

REGENCY CENTERS CORPORATION
Consolidated Statements of Operations
For the years ended December 31, 2015, 2014, and 2013
(in thousands, except per share data)

	2015	2014	2013
Revenues:			
Minimum rent	$415,155	390,697	353,833
Percentage rent	3,750	3,488	3,583
Recoveries from tenants and other income	125,295	119,618	106,494
Management, transaction, and other fees	25,563	24,095	25,097
Total revenues	569,763	537,898	489,007
Operating expenses:			
Depreciation and amortization	146,829	147,791	130,630
Operating and maintenance	82,978	77,788	71,018
General and administrative	65,600	60,242	61,234
Real estate taxes	61,855	59,031	53,726
Other operating expenses	7,836	8,496	8,079
Total operating expenses	365,098	353,348	324,687
Other expense (income):			
Interest expense, net of interest income of $1,590, $1,210, and $1,643 in 2015, 2014, and 2013, respectively (note 9)	102,622	109,491	108,966
Provision for impairment	—	1,257	6,000
Early extinguishment of debt	8,239	18	32
Net investment income, including unrealized losses (gains) of $1,734, $1,058, and $(2,231) in 2015, 2014, and 2013, respectively (notes 8 and 14)	(625)	(9,449)	(3,257)
Gain on remeasurement of investment in real estate partnership	—	(18,271)	—
Total other expense (income)	110,236	83,046	111,741
Income from operations before equity in income of investments in real estate partnerships	94,429	101,504	52,579
Equity in income of investments in real estate partnerships (note 4)	22,508	31,270	31,718
Income tax (benefit) of taxable REIT subsidiary	—	(996)	—
Income from operations	116,937	133,770	84,297
Discontinued operations, net (note 3):			
Operating income	—	—	7,332
Gain on sale of operating properties, net of tax	—	—	57,953
Income from discontinued operations	—	—	65,285
Gain on sale of real estate	35,606	55,077	1,703
Net income	152,543	188,847	151,285
Noncontrolling interests:			
Exchangeable operating partnership units	(240)	(319)	(276)
Limited partners’ interests in consolidated partnerships	(2,247)	(1,138)	(1,205)
Income attributable to noncontrolling interests	(2,487)	(1,457)	(1,481)
Net income attributable to the Company	150,056	187,390	149,804
Preferred stock dividends	(21,062)	(21,062)	(21,062)
Net income attributable to common stockholders	$128,994	166,328	128,742
Income per common share - basic (note 15):			
Continuing operations	$1.37	1.80	0.69
Discontinued operations	—	—	0.71
Net income attributable to common stockholders	$1.37	1.80	1.40

Income per common share - diluted (note 15):			
Continuing operations	$1.36	1.80	0.69
Discontinued operations	—	—	0.71
Net income attributable to common stockholders	$1.36	1.80	1.40

See accompanying notes to consolidated financial statements.

REGENCY CENTERS CORPORATION
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2015, 2014, and 2013
(in thousands)

	2015	2014	2013
Net income	$152,543	188,847	151,285
Other comprehensive income:			
Effective portion of change in fair value of derivative instruments:			
Effective portion of change in fair value of derivative instruments	(10,089)	(49,968)	30,985
Less: reclassification adjustment of derivative instruments included in net income	9,152	9,353	9,433
Available for sale securities			
Unrealized (loss) gain on available-for-sale securities	(43)	7,765	—
Less: realized gains on sale of available-for-sale securities recognized in net income	—	(7,765)	—
Other comprehensive income	(980)	(40,615)	40,418
Comprehensive income	151,563	148,232	191,703
Less: comprehensive (loss) income attributable to noncontrolling interests:			
Net income attributable to noncontrolling interests	2,487	1,457	1,481
Other comprehensive (loss) income attributable to noncontrolling interests	(35)	(271)	107
Comprehensive income attributable to noncontrolling interests	2,452	1,186	1,588
Comprehensive income attributable to the Company	$149,111	147,046	190,115

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS CORPORATION
Consolidated Statements of Equity
For the years ended December 31, 2015, 2014, and 2013
(in thousands, except per share data)

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid In Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Net Income	Total Stockholders' Equity	Noncontrolling Interests: Exchangeable Operating Partnership Units	Noncontrolling Interests: Limited Partners' Interest in Consolidated Partnerships	Noncontrolling Interests: Total Noncontrolling Interests	Total Equity
Balance at December 31, 2012	$325,000	904	(14,924)	2,312,310	(57,715)	(834,810)	1,730,765	(1,153)	16,299	15,146	1,745,911
Net income	—	—	—	—	—	149,804	149,804	276	1,205	1,481	151,285
Other comprehensive income	—	—	—	—	40,311	—	40,311	75	32	107	40,418
Deferred compensation plan, net	—	—	(1,802)	1,802	—	—	—	—	—	—	—
Amortization of restricted stock issued	—	—	—	14,141	—	—	14,141	—	—	—	14,141
Common stock redeemed for taxes withheld for stock based compensation, net	—	—	—	(2,887)	—	—	(2,887)	—	—	—	(2,887)
Common stock issued for dividend reinvestment plan	—	—	—	1,075	—	—	1,075	—	—	—	1,075
Common stock issued for stock offerings, net of issuance costs	—	19	—	99,734	—	—	99,753	—	—	—	99,753
Common stock issued for partnership units exchanged	—	—	—	302	—	—	302	(302)	—	(302)	—
Contributions from partners	—	—	—	—	—	—	—	—	5,792	5,792	5,792
	—	—	—	—	—	—	—	—	(4,122)	(4,122)	(4,122)

Distributions to partners											
Cash dividends declared:											
Preferred stock/unit	—	—	—	—	—	(21,062)	(21,062)	—	—	—	(21,062)
Common stock/unit ($1.85 per share)	—	—	—	—	—	(168,848)	(168,848)	(322)	—	(322)	(169,170)
Balance at December 31, 2013	$325,000	923	(16,726)	2,426,477	(17,404)	(874,916)	1,843,354	(1,426)	19,206	17,780	1,861,134
Net income	—	—	—	—	—	187,390	187,390	319	1,138	1,457	188,847
Other comprehensive income	—	—	—	—	(40,344)	—	(40,344)	(70)	(201)	(271)	(40,615)
Deferred compensation plan, net	—	—	(2,656)	2,656	—	—	—	—	—	—	—
Amortization of restricted stock issued	—	—	—	12,161	—	—	12,161	—	—	—	12,161
Common stock redeemed for taxes withheld for stock based compensation, net	—	—	—	(3,493)	—	—	(3,493)	—	—	—	(3,493)
Common stock issued for dividend reinvestment plan	—	—	—	1,184	—	—	1,184	—	—	—	1,184
Common stock issued for stock offerings, net of issuance costs	—	18	—	102,435	—	—	102,453	—	—	—	102,453
Redemption of preferred units	—	—	—	—	—	—	—	(300)	—	(300)	(300)

REGENCY CENTERS CORPORATION
Consolidated Statements of Equity
For the years ended December 31, 2015, 2014, and 2013
(in thousands, except per share data)

								Noncontrolling Interests			
	Preferred Stock	Common Stock	Treasury Stock	Additional Paid In Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Net Income	Total Stockholders' Equity	Exchangeable Operating Partnership Units	Limited Partners' Interest in Consolidated Partnerships	Total Noncontrolling Interests	Total Equity
Common stock issued for partnership units exchanged	—	—	—	137	—	—	137	(137)	—	(137)	—
Contributions from partners	—	—	—	—	—	—	—	—	16,204	16,204	16,204
Distributions to partners	—	—	—	(1,404)	—	—	(1,404)	—	(4,543)	(4,543)	(5,947)
Cash dividends declared:											
Preferred stock/unit						(21,062)	(21,062)	—	—	—	(21,062)
Common stock/unit ($1.88 per share)	—	—	—	—	—	(173,784)	(173,784)	(300)	—	(300)	(174,084)
Balance at December 31, 2014	$325,000	941	(19,382)	2,540,153	(57,748)	(882,372)	1,906,592	(1,914)	31,804	29,890	1,936,482
Net income	—	—	—	—	—	150,056	150,056	240	2,247	2,487	152,543
Other comprehensive income	—	—	—	—	(945)	—	(945)	(2)	(33)	(35)	(980)
Deferred compensation plan, net	—	—	(276)	276	—	—	—	—	—	—	—
Amortization of restricted stock issued	—	—	—	13,869	—	—	13,869	—	—	—	13,869
Common stock redeemed for taxes withheld for stock based compensation, net	—	—	—	(9,706)	—	—	(9,706)	—	—	—	(9,706)
Common stock issued for	—	—	—	1,250	—	—	1,250	—	—	—	1,250

dividend reinvestment plan											
Common stock issued for stock offerings, net of issuance costs	—	31	—	198,463	—	—	198,494	—	—	—	198,494
Contributions from partners	—	—	—	—	—	—	—	—	717	717	717
Distributions to partners	—	—	—	(1,797)	—	—	(1,797)	—	(4,249)	(4,249)	(6,046)
Cash dividends declared:											
Preferred stock/unit	—	—	—	—	—	(21,062)	(21,062)	—	—	—	(21,062)
Common stock/unit ($1.94 per share)	—	—	—	—	—	(182,642)	(182,642)	(299)	—	(299)	(182,941)
Balance at December 31, 2015	$325,000	972	(19,658)	2,742,508	(58,693)	(936,020)	2,054,109	(1,975)	30,486	28,511	2,082,620

See accompanying notes to consolidated financial statements.

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REGENCY CENTERS CORPORATION
Consolidated Statements of Cash Flows
For the years ended December 31, 2015, 2014, and 2013
(in thousands)

	2015	2014	2013
Cash flows from operating activities:			
Net income	$152,543	188,847	151,285
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	146,829	147,791	134,454
Amortization of deferred loan cost and debt premium	9,677	10,521	12,339
Amortization and (accretion) of above and below market lease intangibles, net	(1,598)	(3,101)	(2,488)
Stock-based compensation, net of capitalization	11,081	9,662	12,191
Equity in income of investments in real estate partnerships (note 4)	(22,508)	(31,270)	(31,718)
Gain on remeasurement of investment in real estate partnership	—	(18,271)	—
Gain on sale of real estate, net of tax	(35,606)	(55,077)	(59,656)
Provision for impairment	—	1,257	6,000
Early extinguishment of debt	8,239	18	32
Distribution of earnings from operations of investments in real estate partnerships	46,646	42,767	45,377
Settlement of derivative instruments	(7,267)	4,648	—
Gain on derivative instruments	—	(13)	(19)
Deferred compensation expense	207	1,386	3,294
Realized and unrealized gain on investments (note 8 and 14)	(626)	(9,158)	(3,293)
Changes in assets and liabilities:			
Restricted cash	1,926	848	(62)
Accounts receivable	(11,965)	(6,225)	(5,042)
Straight-line rent receivable, net	(8,231)	(6,544)	(5,459)
Deferred leasing costs	(12,949)	(8,252)	(10,086)
Other assets	(496)	89	(1,866)
Accounts payable and other liabilities	(3,810)	6,201	(672)
Tenants' security and escrow deposits and prepaid rent	3,545	1,618	6,120
Net cash provided by operating activities	275,637	277,742	250,731
Cash flows from investing activities:			
Acquisition of operating real estate	(42,983)	(112,120)	(107,790)
Advance deposits on acquisition of operating real estate	(2,250)	—	—
Real estate development and capital improvements	(205,103)	(238,237)	(213,282)
Proceeds from sale of real estate investments	108,822	118,787	212,632
Collection of notes receivable	1,719	—	27,354
Investments in real estate partnerships (note 4)	(20,054)	(23,577)	(10,883)
Distributions received from investments in real estate partnerships	23,801	37,152	87,111
Dividends on investments	243	243	194
Acquisition of securities	(31,941)	(23,760)	(19,144)
Proceeds from sale of securities	28,400	31,222	13,991
Net cash used in investing activities	(139,346)	(210,290)	(9,817)

REGENCY CENTERS CORPORATION
Consolidated Statements of Cash Flows
For the years ended December 31, 2015, 2014, and 2013
(in thousands)

	2015	2014	2013
Cash flows from financing activities:			
Net proceeds from common stock issuance	198,494	102,453	99,753
Proceeds from sale of treasury stock	—	—	34
Redemption of preferred stock and partnership units	—	(300)	—
(Distributions to) contributions from limited partners in consolidated partnerships, net	(5,341)	(5,303)	1,514
Distributions to exchangeable operating partnership unit holders	(299)	(300)	(322)
Dividends paid to common stockholders	(181,392)	(172,600)	(167,773)
Dividends paid to preferred stockholders	(21,062)	(21,062)	(21,062)
Repayment of fixed rate unsecured notes	(450,000)	(150,000)	—
Proceeds from issuance of fixed rate unsecured notes, net	248,160	248,705	—
Proceeds from unsecured credit facilities	445,000	255,000	82,000
Repayment of unsecured credit facilities	(355,000)	(255,000)	(177,000)
Proceeds from notes payable	4,316	12,739	36,350
Repayment of notes payable	(76,168)	(38,717)	(27,960)
Scheduled principal payments	(5,878)	(6,909)	(7,530)
Payment of loan costs	(5,998)	(3,066)	(583)
Early redemption costs	(8,043)	—	—
Net cash used in financing activities	(213,211)	(34,360)	(182,579)
Net (decrease) increase in cash and cash equivalents	(76,920)	33,092	58,335
Cash and cash equivalents at beginning of the year	113,776	80,684	22,349
Cash and cash equivalents at end of the year	$36,856	113,776	80,684
Supplemental disclosure of cash flow information:			
Cash paid for interest (net of capitalized interest of $6,740, $7,142, and $6,078 in 2015, 2014, and 2013, respectively)	$101,527	109,425	107,312
Cash paid for income taxes	$1,015	2,169	—
Supplemental disclosure of non-cash transactions:			
Common stock issued for partnership units exchanged	$—		