RPT

2019 **ANNUAL REPORT**

Dear fellow

SHAREHOLDERS,

2019 saw the continued evolution of retail accelerate change in the real estate markets at an unprecedented pace. While changing consumer shopping preferences continue to reshape how we think about retail, we are encouraged by the demand we are seeing for our centers from both traditional and non-traditional tenants who are increasingly recognizing the strong value proposition offered by the open-air retail model. At its core, real estate is about creating spaces where communities can gather and engage with one another. As owners of open-air shopping centers, we believe *our portfolio* is a reflection of our surrounding communities, designed to support offline connections in an increasingly online world. *Our responsibility* is to curate eco-friendly, well-maintained spaces that serve the retail, service and wellness needs of our neighborhoods. *Our purpose* is to use our platform to create communities that foster inclusivity and accessibility by *Turning Commercial Ground into Common Ground*. With this renewed sense of purpose, we enter 2020 energized and empowered to build upon the strong foundation laid in 2018 and the sector-leading performance achieved in 2019.

Our purpose-driven culture has resulted in an enhanced focus on environmental, social, and governance initiatives that will ensure the long-term sustainability and continued success of our organization as we proactively improve our carbon footprint. This past fall, we spearheaded the launch of two pilot programs for RPT Smart, our fully-integrated energy control system that will enable real-time data analytics and centralized controls that we expect will substantially reduce our reliance on fossil fuels and curb our water usage. In 2020, we intend to file our first Global Real Estate Sustainability Benchmark assessment to independently measure our progress against our sustainability initiatives.

> *"Turning Commercial Ground*
> *into* **COMMON GROUND."**

On the social front, RPT employees collectively supported approximately 30 local organizations through company-matched donations and hands-on volunteer work, one of the many ways we proudly demonstrate our commitment to community. Also in 2019, we moved our office to a new building in Michigan which boasts relaxed, open floor plans promoting an active and collaborative work environment. Knowing that our people are our best assets, we launched the RPT Risers Program to provide dedicated training for the future leaders of the company and awarded several well-deserved promotions throughout the organization. We also introduced a progressive Paternal Leave Policy and Work from Home Policy designed to empower our employees, yet provide the flexibility to thrive both at home and at work. To ensure accountability with our employees, we implemented a proven goal-setting process, with roots in the technology sector, that aligns every employees' personal action plan with specific company goals.

From a governance perspective, back in 2018, we implemented new procedures, policies, and data management systems in order to drive better business decisions. This past year, our governance efforts were focused on the people overseeing these controls. In 2019, we internalized many of our legal functions allowing us to have greater oversight and enhanced productivity as it relates to our leasing and governance processes, as well as, other high impact facets of our business. We also welcomed a new Trustee, completing a thoughtful re-engineering of our Board that added a diverse array of skillsets and backgrounds to help guide the company in the coming years. RPT is also proud to be one of a select few REITs with equal or greater representation of women within our independent Board membership.

Turning to our portfolio, in early 2019, we completed our non-core disposition program almost a year ahead of plan, de-risking the portfolio, enhancing future cash flows and increasing our exposure to top 40 metropolitan statistical areas to nearly 100% of our annualized base rent. Additionally, in late 2019, we closed on our first acquisition in Austin, TX highlighting our go forward strategy of buying in high-growth, pro-business markets where we expect sustained market demand and less institutional competition. Our portfolio was further de-risked through the efforts of our leasing team that remains vigilant in light of the challenges facing select legacy retailers. Over the past eighteen months, we proactively cut our exposure to at risk tenants ahead of scheduled lease maturities to minimize unplanned disruption to our cash flows, a process we will continue to employ as we navigate the still changing retail landscape.

This proactive leasing approach combined with the improvements to our portfolio, the upgrades to our leadership team, and the institutionalization of many of our internal governance policies and procedures culminated in our sector-leading 4.1% same property net operating income growth in 2019, our best annual performance in the past 10 years. Our performance in 2019 was fueled by same property base rent growth of 3.5% as our targeted re-merchandising and small shop lease up initiatives produced significant year-over-year occupancy gains of 260 basis points despite continued store closures and retailer bankruptcies. We expect further above-trend performance in 2020 and beyond as we stabilize our non-anchor occupancy to our 91-92% target and realize the embedded mark-to-market opportunity in our existing leases. Beyond this, the reshaping of our portfolio and our drive towards a 50% mix of non-anchor annualized base rent should fuel steady and consistent organic net operating income growth on par with the best REITs in our sector.

Regarding the balance sheet, we took advantage of the low rate environment to reduce risk by refinancing $710 million of debt that will allow us to fund our growth initiatives and enhance our business visibility, while protecting the company during the next downturn. Following our recent financing activities, we extended our average debt duration by over one year, reduced our debt maturities through 2022 to just 10%, lowered our average interest rate by over 20 basis points and cut our floating rate debt to zero. We ended 2019 with potential liquidity of about $465 million which can fund debt maturities through 2024.

Finally, a befitting end to 2019's unparalleled growth and success was our joint venture with an affiliate of GIC Private Limited ("GIC"), Singapore's sovereign wealth fund. This partnership not only validates the progress we have made as an organization but also the viability of the open-air shopping center as a vehicle for income and growth. As part of the joint venture, GIC has committed additional capital to accelerate our acquisition plans as we continue to reshape our portfolio towards high-growth markets like Austin, Nashville, Orlando, Minneapolis, Richmond, Raleigh and Boston that will improve RPT's long-term sustainable growth profile. The completion of this deal was the product of a carefully thought out plan to seek alternative sources of capital in support of our strategic investment goals and to partner with a world-class organization with whom we can grow for many years to come. The reaction from the real estate community has been overwhelmingly positive and we are thrilled to be entering the next phase of RPT's evolution with one of the world's most respected sovereign wealth funds.

Looking back on the past year, I am overwhelmed by the sheer volume of what we accomplished and the excellence with which we executed our plans. From personnel changes, proactive asset management and sector-leading results to capitalizing on attractive capital markets and completing a new joint venture with a world-class sovereign wealth fund, 2019 was truly transformational for RPT. With our people, portfolio, and platform producing strong results and our leadership team committed to driving consistent and stable growth for our investors, the entire RPT team is ready to turn the page on a successful 2019. Rest assured, we are not satisfied and are focused on delivering another strong year in 2020.

On behalf of the entire company, I want to thank each of our stakeholders, our employees and our Board for making 2019 a resounding success.

Sincerely,

BRIAN HARPER
PRESIDENT & CEO

INVESTOR INFORMATION

RPT Realty's Form 10-K for the year ended December 31, 2019 is incorporated herein and has been filed with the Securities and Exchange Commission. Additional copies of the Annual Report and Form 10-K may be obtained from RPT Realty free of charge by calling Investor Relations at 212.221.7139 or emailing Investor Relations at invest@rptrealty.com; or by submitting a request on RPT Realty's website at www.rptrealty.com.

This Annual Report and Letter to Shareholders contain "forward-looking statements." Forward-looking statements are statements that are not historical, including statement's regarding management's intentions, beliefs, expectations, representations, plans or predictions of the future and are typically identified by words such as "believes," "expects," "may," "should," "intends," "plans," "estimates," "will," "continue," or "anticipates" and variations of such words or similar expressions or the negative of such words. We intend that such forward-looking statements be subject to the safe harbor provisions set forth in Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and we include this statement for the purpose of complying with such safe harbor provisions. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. Important factors that could cause our actual results to be materially different from the forward-looking statements are discussed in our Annual Report on Form 10-K. We assume no obligation to update or revise any forward-looking statements or to update the reasons why actual results could differ from those projected in any forward-looking statements.

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

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2019
OR
☐ **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 1-10093

RPT Realty

(Exact Name of Registrant as Specified in its Charter)

Maryland	**13-6908486**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

19 W 44th Street,	**Suite 1002**	
New York,	**New York**	**10036**
(Address of Principal Executive Offices)		(Zip Code)

Registrant's Telephone Number, Including Area Code: **(212) 221-1261**

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Shares of Beneficial Interest, ($0.01 Par Value Per Share)	RPT	New York Stock Exchange
7.25% Series D Cumulative Convertible Perpetual Preferred Shares of Beneficial Interest ($0.01 Par Value Per Share)	RPT.PRD	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

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

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

The aggregate market value of the common equity held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter (June 28, 2019) was $964,595,796 based upon the last reported sale price of $12.11 per share on the New York Stock Exchange on June 28, 2019. As of February 14, 2020 there were outstanding 80,374,748 Common Shares of Beneficial Interest.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual meeting of shareholders to be held in 2020 are incorporated by reference into Part III.

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Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). These forward-looking statements represent our expectations, plans or beliefs concerning future events and may be identified by terminology such as "may," "will," "should," "believe," "expect," "estimate," "anticipate," "continue," "predict," or similar terms. Although the forward-looking statements made in this document are based on our good-faith beliefs, reasonable assumptions and our best judgment based upon current information, certain factors could cause actual results to differ materially from those in the forward-looking statements, including, among others: our success or failure in implementing our business strategy; economic conditions generally and in the commercial real estate and finance markets specifically; the cost and availability of capital, which depends in part on our asset quality and our relationships with lenders and other capital providers; our business prospects and outlook; changes in governmental regulations, tax rates and similar matters; our continuing to qualify as a real estate investment trust ("REIT"); and other factors detailed from time to time in our filings with the Securities and Exchange Commission (the "SEC") and in particular those set forth under "Risk Factors" in this Annual Report on Form 10-K. Given these uncertainties, you should not place undue reliance on any forward-looking statements. Except as required by law, we assume no obligation to update these forward-looking statements, even if new information becomes available in the future.

PART I

Item 1. Business

The terms "Company," "RPT," "we," "our," or "us" refer to RPT Realty, RPT Realty, L.P., and/or their subsidiaries, as the context may require. The content of our website and the websites of third parties noted herein is not incorporated by reference in this Annual Report on Form 10-K.

General

RPT Realty owns and operates a national portfolio of open-air shopping destinations principally located in top U.S. markets. The Company's shopping centers offer diverse, locally-curated consumer experiences that reflect the lifestyles of their surrounding communities and meet the modern expectations of the Company's retail partners. The Company is a fully integrated and self-administered REIT publicly traded on the New York Stock Exchange (the "NYSE"). The common shares of beneficial interest of the Company, par value $0.01 per share (the "common shares"), are listed and traded on the NYSE under the ticker symbol "RPT". As of December 31, 2019, our property portfolio consisted of 49 shopping centers (including five shopping centers owned through a joint venture) (the "aggregate portfolio") representing 11.9 million square feet of gross leasable area ("GLA"). As of December 31, 2019, the Company's pro-rata share of the aggregate portfolio was 94.7% leased.

The Company's principal executive offices are located at 19 West 44th Street, Suite 1002, New York, New York 10036 and its telephone number is (212) 221-1261. The Company's website is rptrealty.com. As of December 31, 2019, the Company had 104 full-time employees. None of our employees are represented by a collective bargaining unit, and we believe that our relations with our employees are good.

We conduct substantially all of our business through our operating partnership, RPT Realty, L.P., a Delaware limited partnership (the "Operating Partnership" or "OP"). The Operating Partnership, either directly or indirectly through partnerships or limited liability companies, holds fee title to all of our properties. As the sole general partner of the Operating Partnership, we have the exclusive power to manage and conduct the business of the Operating Partnership. As of December 31, 2019, we owned approximately 97.7% of the Operating Partnership. The interests of the limited partners are reflected as noncontrolling interests in our financial statements and the limited partners are generally individuals or entities that contributed interests in certain assets or entities to the Operating Partnership in exchange for units of limited partnership interest ("OP Units"). The holders of OP Units are entitled to exchange them for our common shares on a 1:1 basis or for cash. The form of payment is at our election.

We operate in a manner intended to qualify as a REIT pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the "Code"). Certain of our operations, including property and asset management, as well as ownership of certain land parcels, are conducted through taxable REIT subsidiaries ("TRSs"), which are subject to federal and state income taxes.

Business Strategy

Our goal is to be a dominant shopping center owner, with a focus on the following:

- Own and manage high quality open-air shopping centers predominantly concentrated in the top U.S. metropolitan statistical areas (“MSA”);
- Curate our real estate to maximize its value while being aligned with the future of the shopping center industry by leveraging technology, optimizing distribution points for brick-and-mortar and e-commerce purchases, engaging in best-in-practice sustainability programs and developing a personalized appeal to attract and engage the next generation of shoppers;
- Maintain value creation redevelopment and expansion pipeline;
- Maximize balance sheet liquidity and flexibility; and
- Retain motivated, talented and high performing employees.

Key methods to achieve our strategy:

- Deliver above average relative shareholder return and generate outsized consistent and sustainable Consolidated Same Property Net Operating Income (“Same Property NOI”) and Operating Funds from Operations (“Operating FFO”) per share growth;
- Pursue selective redevelopment projects with significant pre-leasing for which we expect to achieve attractive returns on investment;
- Sell assets that no longer meet our long-term strategy and redeploy the proceeds to lease, redevelop and acquire assets in our core and target markets;
- Achieve lower leverage while maintaining low variable interest rate risk; and
- Retain access to diverse sources of capital, maintain liquidity through borrowing capacity under our unsecured line of credit and minimize the amount of debt maturities in a single year.

Our portfolio consists of community, lifestyle and power center properties tenanted by national and regional chain stores, market-leading supermarkets, as well as a strong lineup of smaller national, regional and local retailers that optimize the overall merchandise mix and reflect the community demographics of each center. Our centers also include entertainment components, including theaters, fitness centers and restaurants, which, in addition to supermarkets, are daily drivers of consumer traffic to our properties. National chain anchor tenants in our centers include, among others, TJ Maxx/Marshalls, Dick’s Sporting Goods, Ross Stores and ULTA Salon. Supermarket anchor tenants in our centers include, among others, Publix Super Market, Whole Foods, Kroger, Aldi, and Sprouts. Theater, fitness and restaurant tenants include, among others, Regal Cinema, LA Fitness, Starbucks and Panera. Our shopping centers are primarily located in key growth markets in the 40 largest MSAs in the United States such as Metro Detroit, Cincinnati, Miami, Jacksonville, Chicago, St. Louis, Minneapolis, Tampa/Lakeland and Nashville.

Operating Strategies and Significant Transactions

Our operating objective is to maximize the risk-adjusted return on invested capital at our shopping centers. We seek to do so by increasing the property operating income of our centers, controlling our capital expenditures, monitoring our tenants' credit risk and taking actions to mitigate our exposure to that tenant credit risk.

During 2019, our properties reported the following leasing activity, which is shown at pro-rata except for number of leasing transactions and square feet:

	Leasing Transactions	Square Footage	Base Rent/ SF (1)	Prior Rent/ SF (2)	Tenant Improvements /SF (3)	Leasing Commissions/ SF
Renewals	131	766,892	$17.51	$16.12	$1.28	$0.12
New Leases - Comparable	34	88,197	$27.15	$21.94	$50.49	$11.08
New Leases - Non-Comparable (4)	45	303,757	$14.24	N/A	$36.76	$6.09
Total	210	1,158,846	$17.38	N/A	$14.35	$2.52

(1) Base rent represents contractual minimum rent under the new lease for the first 12 months of the term.

(2) Prior rent represents minimum rent, if any, paid by the prior tenant in the final 12 months of the term.

(3) Includes estimated tenant improvement cost, tenant allowances, and landlord costs. Excludes first generation space and leases related to development and redevelopment activity.

(4) Non-comparable lease transactions include (i) leases for space vacant for greater than 12 months and (ii) leases signed where the previous and current lease do not have a consistent lease structure.

Investing Activities and Significant Transactions

Our investing objective is to generate an attractive risk-adjusted return on capital invested in acquisitions, developments, and redevelopments. In addition we seek to sell land or shopping centers that we deem to be fully valued or that no longer meet our investment criteria. We underwrite acquisitions based upon current cash flow, projections of future cash flow and scenario analyses that take into account the risks and opportunities of ownership. We underwrite development of new shopping centers on the same basis, but also take into account the unique risks of entitling land, constructing buildings and leasing newly built space.

In December 2019, we acquired a 76,000 square foot Target shadow-anchored shopping center in Austin, Texas for $33.9 million. We also sold two shopping centers and one land outparcel for aggregate gross proceeds of $69.4 million in the first half of 2019.

On December 10, 2019, we contributed five properties valued at $244.0 million to a newly formed joint venture with an affiliate of GIC Private Limited (“GIC”), Singapore's sovereign wealth fund, referred to as R2G Venture LLC (“R2G”), and received $118.3 million in gross proceeds for the 48.5% stake in R2G that was acquired by GIC. Additionally, GIC has committed up to $200.0 million of additional capital to R2G over the next three years to fund its 48.5% share of up to an aggregate of $412.4 million of potential future acquisitions by R2G of grocery-anchored shopping centers in target markets in the U.S. RPT retained a 51.5% stake in R2G and receives property management, construction management and leasing fees from R2G. The Company will also be responsible for the day-to-day management of the properties as well as sourcing future acquisitions for R2G. Both GIC and RPT will have consent rights for all future acquisitions, and GIC has approval rights in connection with annual budgets and other specified major decisions. During the investment period for R2G, RPT has agreed to present all opportunities above a specified size threshold to acquire grocery-anchored shopping centers in attractive-high growth markets in the United States to R2G and not to acquire, invest in or source any such opportunities that have not previously been presented to R2G and declined by GIC.

Unless specified events occur, neither RPT nor GIC will have the right to force a sale of R2G or its assets within the first five years following its formation. Thereafter, both RPT and GIC will have forced sale rights, subject to a right to participate in the purchase for the other member.

See Item 2. Properties, for information regarding the five properties contributed to R2G.

Refer to Note 4 of the notes to our consolidated financial statements in this report for additional information related to acquisitions and dispositions.

Financing Strategies and Significant Transactions

Our financing objective is to maintain a strong and flexible balance sheet to ensure access to capital at a competitive cost. In general, we seek to increase our financial flexibility by increasing our pool of unencumbered properties, maintaining a well-laddered debt maturity profile and primarily borrowing on an unsecured basis. In keeping with our objective, we routinely benchmark our balance sheet on a variety of measures to our peers in the shopping center sector and REITs in general.

Specifically, we completed the following financing transactions during 2019:

Debt

On April 30, 2019, we redeemed all of our outstanding junior subordinated notes due 2038, which accrued interest at a variable rate of LIBOR plus 3.30% for an aggregate purchase price of $28.6 million, consisting of the outstanding principal amount and accrued and unpaid interest as of the redemption date. In conjunction with this redemption, we wrote off unamortized deferred financing costs of $0.6 million.

On November 6, 2019, the Operating Partnership entered into the Fifth Amended and Restated Credit Agreement (the "credit agreement"), which consists of an unsecured revolving credit facility of up to $350.0 million (the "revolving credit facility") and term loan facilities of $310.0 million (the "term loan facilities" and, together with the revolving credit facility, the "unsecured revolving line of credit"). The revolving credit facility matures on November 6, 2023 and can be extended up to one year to 2024 through two six-month options, subject to continued compliance with the terms of the credit agreement and the payment of an extension fee of 0.075%. Borrowings on the revolving credit facility are priced on a leverage grid ranging from LIBOR plus 105 basis points to LIBOR plus 150 basis points.

The term loan facilities mature in five separate tranches ranging from March 2023 to February 2027 and are priced on a leverage grid ranging from LIBOR plus 120 basis points to LIBOR plus 220 basis points. The credit agreement allows for the right to request increases in the revolving and term loan commitments or the making of additional term loans by up to an additional $340.0 million to a maximum aggregated amount not to exceed $1.0 billion. A portion of the proceeds from the credit agreement were used to repay our $75.0 million term loan due 2020 and our $75.0 million term loan due 2021 for an aggregate amount of $150.0 million. In conjunction with this early repayment, we wrote off deferred financing costs of $0.3 million.

Also on November 6, 2019, we repaid $100.0 million which constituted repayment in full of the Operating Partnership's $50.0 million 4.16% senior unsecured notes due 2024 and its $50.0 million 4.30% senior unsecured notes due 2026, each issued pursuant to the note purchase agreement dated September 8, 2014, as amended. Accordingly, on November 6, 2019, all outstanding notes and other obligations of the Operating Partnership and guarantors under such note purchase agreement were paid and satisfied in full. In conjunction with this early repayment, we wrote off unamortized deferred financings costs of $0.1 million.

On December 27, 2019, we entered into a note purchase agreement with the institutional investors named therein and closed a private placement of the Operating Partnership's $50.0 million aggregate principal amount of 4.15% Senior Guaranteed Notes due December 27, 2029 pursuant thereto. Such notes are unsecured and are guaranteed by the Company and certain subsidiaries of the Operating Partnership. The notes have an annual fixed interest rate of 4.15% and mature on December 27, 2029. A portion of the proceeds were used to repay $25.0 million aggregate principal amount of our 4.13% Series A Notes due 2022 for an aggregate amount of $26.4 million, which included a prepayment penalty of $1.4 million. In conjunction with this early repayment, we wrote off unamortized deferred financings costs of $0.1 million. A portion of the proceeds was also used to repay the 6.50% fixed rate mortgage loan encumbering West Oaks II and Spring Meadows Place, with an aggregate principal balance of $24.9 million.

At each of December 31, 2019 and 2018 we had $349.8 million available to draw under our unsecured revolving line of credit, subject to compliance with applicable covenants.

Equity

During the first half of 2019, we had an at-the-market equity program pursuant to which we could sell up to an aggregate of 8.0 million common shares from time to time, in our sole discretion. For the year ended December 31, 2019, we did not issue any common shares under the program. The sale of such shares issuable pursuant to the program was registered with the SEC on our registration statement on Form S-3, which expired in June 2019.

Sustainability

We continue to advance our commitment to sustainability, with a focus on achieving goals in each of the Environmental, Social and Governance ("ESG") areas of sustainability. We believe that sustainability initiatives are a vital part of supporting our primary goal to maximize value for our shareholders.

Our commitment to ESG principles starts with our employees. We are establishing a culture that intentionally attracts and retains talented employees to work in an engaging and energetic team environment that shares a passion for innovation, transparency and excellence. Our employees are awarded competitive compensation packages, including healthcare benefits for employees and their families, participation in a 401(k) plan, paid time-off benefits and employee referral bonuses. In addition, we strive to provide our employees with a healthy work-life balance through RPT Remote, our flexible work initiative, and our newly enacted Parental Leave Policy. We are also focused on creating healthy workspaces and promoting health and wellness for our employees and their families. In 2019, we won Michigan's Best and Brightest in Wellness for the seventh year in a row. The Best and Brightest in Wellness awards program honors organizations that are making their workplaces, their employees and the community a healthier place to live and work. We are also devoted to philanthropy initiatives and partner with organizations that are committed to improving the overall quality of life in our communities. Each month, we support a local community organization through charitable giving or volunteerism.

In 2019, we created an ESG taskforce and enacted ESG polices aimed at providing the necessary framework to commence comprehensive sustainability initiatives. We established long-term sustainability goals with regard to the reduction of electricity consumption, water usage and waste diversion, focusing on our objectives of safeguarding the environment while improving the energy efficiency of our portfolio and lowering operating costs. In 2020, we intend to file RPT's first Global Real Estate Sustainability Benchmark assessment, providing more transparency regarding our sustainability polices, initiatives and performance.

Competition

We compete with many other entities for the acquisition of shopping centers and land suitable for new developments, including other REITs, private institutional investors and other owner-operators of shopping centers. In particular, larger REITs may enjoy competitive advantages that result from, among other things, a lower cost of capital. These competitors may increase the market prices we would have to pay in order to acquire properties. If we are unable to acquire properties that meet our criteria at prices we deem reasonable, our ability to grow will be adversely affected.

Our tenants compete with alternate forms of retailing, including on-line shopping, home shopping networks and mail order catalogs. Alternate forms of retailing may reduce the demand for space in our shopping centers. Because our ability to generate revenue may be connected to the success of our tenants, we indirectly share exposure to these same competitive factors.

Further, our shopping centers generally compete for tenants with similar properties located in the same neighborhood, community or region. Although we believe we own high quality centers in desirable geographic locations, competing centers may be newer, better located or have a better tenant mix. We also believe we compete with other centers on the basis of rental rates and management and operational expertise. In addition, new centers or retail stores may be developed, increasing the supply of retail space competing with our centers or taking retail sales from our tenants. To remain competitive, we evaluate all of the factors affecting our centers and work to position them accordingly to enable us to compete effectively.

Environmental Matters

Under various federal, state and local laws, ordinances and regulations relating to the protection of the environment, a current or previous owner or operator of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances disposed, stored, released, generated, manufactured or discharged from, on, at, onto, under or in such property. Environmental laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence or release of such hazardous or toxic substance.

We are not aware of any contamination which may have been caused by us or any of our tenants that would have a material effect on our consolidated financial statements. As part of our risk management activities, we have applied and been accepted into state sponsored environmental programs, the purpose of which is to expedite and facilitate satisfactory compliance with environmental laws and regulations should contaminants need to be remediated. We also have an environmental insurance policy that covers us against third party liabilities and remediation costs. While we believe that we do not have any material exposure to environmental remediation costs, we cannot give assurance that changes in the law or new discoveries of contamination will not result in additional liabilities to us.

Available Information

All reports we electronically file with, or furnish to, the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to such reports, are available, free of charge, on our website at rptrealty.com, as soon as reasonably practicable after we electronically file such reports with, or furnish those reports to, the SEC. These filings are also available at the SEC's website at www.sec.gov. Our Corporate Governance Guidelines, Code of Business Conduct and Ethics and Board of Trustees' committee charters also are available on our website.

Item 1A. Risk Factors

You should carefully consider each of the risks and uncertainties described below and elsewhere in this Annual Report on Form 10-K, as well as any amendments or updates reflected in subsequent filings with the SEC. We believe these risks and uncertainties, individually or in the aggregate, could cause our actual results to differ materially from expected and historical results and could materially and adversely affect our business operations, results of operations and financial condition. This list should not be considered to be a complete statement of all potential risks and uncertainties, and additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our results and business operations. We may update our risk factors from time to time in our future periodic reports.

Operating Risks

A shift in retail shopping from brick and mortar stores to online shopping may have an adverse impact on our cash flow, financial condition and results of operations.

In recent periods, sales by online retailers such as Amazon have increased, and many retailers operating brick and mortar stores have made online sales a vital piece of their businesses. Although many of the retailers operating in our properties sell groceries and other necessity-based soft goods or provide services, including entertainment and dining options, the shift to online shopping may cause declines in brick and mortar sales generated by certain of our tenants and/or may cause certain of our tenants to reduce the size or number of their retail locations in the future. As a result, our cash flow, financial condition and results of operations could be adversely affected.

National economic conditions and retail sales trends may adversely affect the performance of our properties.

Demand to lease space in our shopping centers generally fluctuates with the overall economy. Economic downturns often result in a lower rate of retail sales growth, or even declines in retail sales. In response, retailers that lease space in shopping centers typically reduce their demand for retail space during such downturns. As a result, economic downturns and unfavorable retail sales trends may diminish the income, cash flow, and value of our properties.

Our concentration of properties in Florida and Michigan makes us more susceptible to adverse market conditions in these states.

Our performance depends on the economic conditions in the markets in which we operate. As of December 31, 2019 and 2018, our wholly-owned properties located in Florida and Michigan accounted for approximately 19.5% and 20.2%, and 23.0% and 19.0%, respectively, of our annualized base rent. To the extent that market conditions in these or other states in which we operate deteriorate, the performance or value of our properties may be adversely affected.

Increasing sales through non-retail channels and changes in the supply and demand for the type of space we lease to our tenants could affect the income, cash flow and value of our properties.

Our tenants compete with alternate forms of retailing, including on-line shopping, home shopping networks and mail order catalogs. Alternate forms of retailing may reduce the demand for space in our shopping centers. Our shopping centers generally compete for tenants with similar properties located in the same neighborhood, community or region. Although we believe we own high quality centers, competing centers may be newer, better located or have a better tenant mix. In addition, new centers or retail stores may be developed, increasing the supply of retail space competing with our centers or taking retail sales from our tenants.

As a result, we may not be able to renew leases or attract replacement tenants as leases expire. When we do renew tenants or attract replacement tenants, the terms of renewals or new leases may be less favorable to us than current lease terms. In order to lease our vacancies, we often incur costs to reconfigure or modernize our properties to suit the needs of a particular tenant. Under competitive circumstances, such costs may exceed our budgets. If we are unable to lease vacant space promptly, if the rental rates upon a renewal or new lease are lower than expected, or if the costs incurred to lease space exceed our expectations, then the income and cash flow of our properties will decrease.

Our reliance on key tenants for significant portions of our revenues exposes us to increased risk of tenant bankruptcies that could adversely affect our income and cash flow.

As of December 31, 2019, we received 39.9% of our combined annualized base rents from our top 25 tenants, including our top five tenants: TJX Companies (4.5%), Dick's Sporting Goods (3.3%), Regal Cinemas (3.0%), Bed Bath & Beyond (2.9%) and LA Fitness (2.7%). No other tenant represented more than 2.0% of our total annualized base rent. The credit risk posed by our major tenants varies.

If any of our major tenants experiences financial difficulties, or if a significant number of our tenants experience financial difficulties, such that they are unable to make rental payments or file for bankruptcy protection, our operating results could be adversely affected. Bankruptcy filings by our tenants or lease guarantors generally delay our efforts to collect pre-bankruptcy receivables and could ultimately preclude full collection of these sums. If a tenant rejects a lease, we would have only a general unsecured claim for damages, which may be collectible only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims.

Our properties generally rely on anchor tenants (tenants greater than or equal to 10,000 square feet) to attract customers. The loss of anchor tenants may adversely impact the performance of our properties.

If any of our anchor tenants becomes insolvent, suffers a downturn in business, abandons occupancy or decides not to renew its lease, such event could adversely impact the performance of the affected center. An abandonment or lease termination by an anchor tenant may give other tenants in the same shopping center the right to terminate their leases or pay less rent pursuant to the terms of their leases. Our leases with anchor tenants may, in certain circumstances, permit them to transfer their leases to other retailers. The transfer to a new anchor tenant could result in lower customer traffic to the center, which would affect our other tenants. In addition, a transfer of a lease to a new anchor tenant could give other tenants the right to make reduced rental payments or to terminate their leases.

We may be restricted from leasing vacant space based on existing exclusivity lease provisions with some of our tenants.

In a number of cases, our leases give a tenant the exclusive right to sell clearly identified types of merchandise or provide specific types of services at a particular shopping center. In other cases, leases with a tenant may limit the ability of other tenants to sell similar merchandise or provide similar services to that tenant. When leasing a vacant space, these restrictions may limit the number and types of prospective tenants suitable for that space. If we are unable to lease space on satisfactory terms, our operating results would be adversely impacted.

Increases in operating expenses could adversely affect our operating results.

Our operating expenses include, among other items, property taxes, insurance, utilities, repairs and the maintenance of the common areas of our shopping centers. We may experience increases in our operating expenses, some or all of which may be out of our control. Most of our leases require that tenants pay for a share of property taxes, insurance and common area maintenance costs. However, if any property is not fully occupied or if recovery income from tenants is not sufficient to cover operating expenses, then we could be required to expend our own funds for operating expenses. In addition, we may be unable to renew leases or negotiate new leases with terms requiring our tenants to pay all the property tax, insurance and common area maintenance costs that tenants currently pay, which would adversely affect our operating results.

Our real estate assets may be subject to additional impairment provisions based on market and economic conditions.

On a periodic basis, we assess whether there are any indicators that the value of our real estate properties and other investments may be impaired. Under generally accepted accounting principles ("GAAP") a property's value is impaired only if the estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property is less than the carrying value of the property. In our estimate of cash flows, we consider factors such as expected future operating income, trends and prospects, the effects of demand, competition and other factors. We are required to make subjective assessments as to whether there are impairments in the value of our real estate properties and other investments.

No assurance can be given that we will be able to recover the current carrying amount of all of our properties and those of our unconsolidated joint ventures. There can be no assurance that we will not take charges in the future related to the impairment of our assets. Any future impairment could have a material adverse effect on our results of operations in the period in which the charge is taken. We recorded no impairment provisions in 2019 related to our real estate properties. Refer to Note 1 of the notes to the consolidated financial statements for further information related to impairment provisions.

Our redevelopment projects may not yield anticipated returns, which would adversely affect our operating results.

Our redevelopment activities generally call for a capital commitment and project scope greater than that required to lease vacant space. To the extent a significant amount of construction is required, we are susceptible to risks such as permitting, cost overruns and timing delays as a result of the lack of availability of materials and labor, the failure of tenants to commit or fulfill their commitments, weather conditions and other factors outside of our control. Any substantial unanticipated delays or expenses would adversely affect the investment returns from these redevelopment projects and adversely impact our operating results.

Current or future joint venture investments could be adversely affected by our lack of sole decision-making authority.

We have in the past, are currently and may in the future acquire and own properties in joint ventures with other persons or entities when we believe circumstances warrant the use of such structures. Our existing joint ventures are subject to various risks, and any additional joint venture arrangements in which we may engage in the future are likely to be subject to various risks, including the following:

- lack of exclusive control over the joint venture, which may prevent us from taking actions that are in our best interest;
- future capital constraints of our partners or failure of our partners to fund their share of required capital contributions, which may require us to contribute more capital than we anticipated to fund developments and/or cover the joint venture's liabilities;
- our partners may at any time have business or economic goals that are inconsistent with ours;
- actions by our partners that could jeopardize our REIT status, require us to pay taxes or subject the properties owned by the joint venture to liabilities greater than those contemplated by the terms of the joint venture agreements;
- disputes between us and our partners that may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort on our business;
- changes in economic and market conditions for any adjacent non-retail use that may adversely impact the cash flow of our retail property;
- joint venture agreements that may require prior consent of our joint venture partners for a sale or transfer to a third party of our interest in the joint venture, which would restrict our ability to dispose of our interest in such a joint venture; and
- joint venture agreements may include the right to trigger a buy-sell, put right or forced sale arrangement, which could cause us to sell our interest, or acquire our partner’s interest, or to sell the underlying asset, at a time when we otherwise would not have initiated such a transaction, without our consent or on unfavorable terms.

If any of the foregoing were to occur, our cash flow, financial condition and results of operations could be adversely affected.

If we suffer losses that are uninsured or in excess of our insurance coverage limits, we could lose invested capital and anticipated profits.

Catastrophic losses, such as losses resulting from wars, acts of terrorism, earthquakes, floods, hurricanes and tornadoes or other natural disasters, and pollution or environmental matters, generally are either uninsurable or not economically insurable, or may be subject to insurance coverage limitations, such as large deductibles or co-payments. Although we currently maintain “all risk” replacement cost insurance for our buildings, rents and personal property, commercial general liability insurance and pollution and environmental liability insurance, our insurance coverage may be inadequate if any of the events described above occurs to, or causes the destruction of, one or more of our properties. Under that scenario, we could lose both our invested capital and anticipated profits from that property.

Investing Risks

We face competition for the acquisition and development of real estate properties, which may impede our ability to grow our operations or may increase the cost of these activities.

We compete with many other entities for the acquisition of shopping centers and land suitable for new developments, including other REITs, private institutional investors and other owner-operators of shopping centers. In particular, larger REITs may enjoy competitive advantages that result from, among other things, a lower cost of capital. These competitors may increase the market prices we would have to pay in order to acquire properties. If we are unable to acquire properties that meet our criteria at prices we deem reasonable, our ability to grow will be adversely affected.

We may be unable to complete acquisitions and, even if acquisitions are completed, our operating results at acquired properties may not meet our financial expectations.

We continue to evaluate the market of available properties and expect to continue to acquire properties when we believe strategic opportunities exist. Our ability to acquire properties on favorable terms and successfully operate or develop them is subject to the following risks:

- we may be unable to acquire a desired property because of competition from other real estate investors with substantial capital, including other REITs, real estate operating companies and institutional investment funds;

- even if we are able to acquire a desired property, competition from other potential investors may significantly increase the purchase price;

- we may incur significant costs and divert management's attention in connection with the evaluation and negotiation of potential acquisitions, including ones that are subsequently not completed;

- we may be unable to finance acquisitions on favorable terms and in the time period we desire, or at all;

- we may be unable to quickly and efficiently integrate newly acquired properties, particularly the acquisition of portfolios of properties, into our existing operations;

- we may acquire properties that are not initially accretive to our results and we may not successfully manage and lease those properties to meet our expectations; and

- we may acquire properties that are subject to liabilities without any recourse, or with only limited recourse to former owners, with respect to unknown liabilities for clean-up of undisclosed environmental contamination, claims by tenants or other persons to former owners of the properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

If we are unable to acquire properties on favorable terms, obtain financing in a timely manner and on favorable terms or operate acquired properties to meet our financial expectations, our cash flow, financial condition and results of operations could be adversely affected.

Commercial real estate investments are relatively illiquid, which could hamper our ability to dispose of properties that no longer meet our investment criteria or respond to adverse changes in the performance of our properties.

Our ability to promptly sell one or more properties in our portfolio in response to changing economic, financial and investment conditions is limited because real estate investments are relatively illiquid. The real estate market is affected by many factors, such as general economic conditions, supply and demand, availability of financing, interest rates and other factors that are beyond our control. We cannot be certain that we will be able to sell any property for the price and other terms we seek, or that any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot estimate with certainty the length of time needed to find a willing purchaser and to complete the sale of a property. We may be required to expend funds to correct defects or to make improvements before a property can be sold. Factors that impede our ability to dispose of properties could adversely affect our financial condition and operating results.

We are seeking to develop new properties or redevelop existing properties, an activity that has inherent risks that could adversely impact our cash flow, financial condition and results of operations. These activities are subject to the following risks:

- We may not be able to complete construction on schedule due to labor disruptions, construction delays, and delays or failure to receive zoning or other regulatory approvals;
- We may abandon our development, redevelopment and expansion opportunities after expending resources to determine feasibility and we may incur an impairment loss on our investment;
- Construction and other project costs may exceed our original estimates because of increases in material and labor costs, interest rates, operating costs, and leasing costs;
- We may not be able to obtain financing on favorable terms for construction;
- We might not be able to secure key anchor or other tenants;
- We may experience a decrease in customer traffic during the redevelopment period causing a decrease in tenant sales;
- Occupancy rates and rents at a completed project may not meet our projections; and
- The time frame required for development, constructions and lease-up of these properties means that we may have to wait years for a significant cash return.

If any of these events occur, our development activities may have an adverse effect on our results of operations, including additional impairment provisions. For a detailed discussion of development projects, refer to Notes 3 and 5 of the notes to the consolidated financial statements.

Financing Risks

Increases in interest rates may affect the cost of our variable-rate borrowings, our ability to refinance maturing debt and the cost of any such refinancings.

As of December 31, 2019, we had seven interest rate swap agreements in effect for an aggregate notional amount of $210.0 million converting our floating rate corporate debt to fixed rate debt. In addition, we have entered into five forward starting interest rate swap agreement for an aggregate notional amount of $150.0 million. After accounting for these interest rate swap agreements, we had $100.0 million of variable rate debt outstanding at December 31, 2019. Increases in interest rates on our existing indebtedness would increase our interest expense, which would adversely affect our cash flow and our ability to distribute cash to our shareholders. For example, if market rates of interest on our variable rate debt outstanding as of December 31, 2019 increased by 1.0%, the increase in interest expense on our existing variable rate debt would decrease future earnings and cash flows by approximately $1.0 million annually. Interest rate increases could also constrain our ability to refinance maturing debt because lenders may reduce their advance rates in order to maintain debt service coverage ratios.

Our debt must be refinanced upon maturity, which makes us reliant on the capital markets on an ongoing basis.

We are not structured in a manner to generate and retain sufficient cash flow from operations to repay our debt at maturity. Instead, we expect to refinance our debt by raising equity, debt or other capital prior to the time that it matures. As of December 31, 2019, we had $931.7 million of outstanding indebtedness, net of deferred financing costs, including $0.9 million of finance lease obligations. The availability, price and duration of capital can vary significantly. If we seek to refinance maturing debt when capital market conditions are restrictive, we may find capital scarce, costly or unavailable. Refinancing debt at a higher cost would affect our operating results and cash available for distribution. The failure to refinance our debt at maturity would result in default and the exercise by our lenders of the remedies available to them, including foreclosure and, in the case of recourse debt, liability for unpaid amounts.

We could increase our outstanding debt.

Our management and Board of Trustees (“Board”) generally have discretion to increase the amount of our outstanding debt at any time. Subject to existing financial covenants, we could become more highly leveraged, resulting in an increase in debt service costs that could adversely affect our cash flow and the amount available for distribution to our shareholders. If we increase our debt, we may also increase the risk of default on our debt.

Our mortgage debt exposes us to the risk of loss of property, which could adversely affect our financial condition.

As of December 31, 2019, we had $89.6 million of mortgage debt, net of unamortized premiums and deferred financing costs, encumbering our properties. A default on any of our mortgage debt may result in foreclosure actions by lenders and ultimately our loss of the mortgaged property. For federal income tax purposes, a foreclosure of any of our properties would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure but would not receive any cash proceeds.

Financial covenants may restrict our operating, investing or financing activities, which may adversely impact our financial condition and operating results.

The financial covenants contained in our mortgages and debt agreements reduce our flexibility in conducting our operations and create a risk of default on our debt if we cannot continue to satisfy them. The mortgages on our properties contain customary negative covenants such as those that limit our ability, without the prior consent of the lender, to further mortgage the applicable property or to discontinue insurance coverage. In addition, if we breach covenants in our debt agreements, the lender can declare a default and require us to repay the debt immediately and, if the debt is secured, can ultimately take possession of the property securing the loan.

Our outstanding unsecured revolving line of credit contains customary restrictions, requirements and other limitations on our ability to incur indebtedness, including limitations on the maximum ratio of total liabilities to assets, the minimum fixed charge coverage and the minimum tangible net worth. Our ability to borrow under our unsecured revolving line of credit is subject to compliance with these financial and other covenants. We rely on our ability to borrow under our unsecured revolving line of credit to finance acquisition, development and redevelopment activities and for working capital. If we are unable to borrow under our unsecured revolving line of credit, our financial condition and results of operations would be adversely impacted.

We must distribute a substantial portion of our income annually in order to maintain our REIT status, and as a result we may not retain sufficient cash from operations to fund our investing needs.

As a REIT, we are subject to annual distribution requirements under the Code. In general, we must distribute at least 90% of our REIT taxable income annually, excluding net capital gains, to our shareholders to maintain our REIT status. We intend to make distributions to our shareholders to comply with the requirements of the Code.

Differences in timing between the recognition of taxable income and the actual receipt of cash could require us to sell assets or borrow funds on a short-term or long-term basis to meet the 90% distribution requirement. In addition, the distribution requirement reduces the amount of cash we retain for use in funding our capital requirements and our growth. As a result, we have historically funded our acquisition, development and redevelopment activities by any of the following: selling assets that no longer meet our investment criteria; selling common shares and preferred shares; borrowing from financial institutions; and entering into joint venture transactions with third parties. Our failure to obtain funds from these sources could limit our ability to grow, which could have a material adverse effect on the value of our securities.

There may be future dilution to holders of our common shares.

Our Articles of Restatement of Declaration of Trust (the "Declaration of Trust") authorizes our Board to, among other things, issue additional common or preferred shares, or securities convertible or exchangeable into equity securities, without shareholder approval. We may issue such additional equity or convertible securities to raise additional capital. The issuance of any additional common or preferred shares or convertible securities could be dilutive to holders of our common shares. Moreover, to the extent that we issue restricted shares, options or warrants to purchase our common shares in the future and those options or warrants are exercised or the restricted shares vest, our shareholders will experience further dilution. Holders of our common shares have no preemptive rights that entitle them to purchase a pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our shareholders.

We may issue debt and equity securities or securities convertible into equity securities, any of which may be senior to our common shares as to distributions and in liquidation, which could negatively affect the value of our common shares.

There were 449,643 shares of unvested restricted common shares outstanding at December 31, 2019.

We may be adversely affected by changes in LIBOR reporting practices or the method in which LIBOR is determined.

In July 2017, the Financial Conduct Authority, the authority that regulates LIBOR, announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. The Alternative Reference Rates Committee (ARRC) has proposed that the Secured Overnight Financing Rate (SOFR) is the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. ARRC has proposed a paced market transition plan to SOFR from USD-LIBOR, and organizations are currently working on industry wide and company specific transition plans as it relates to derivatives and cash markets exposed to USD-LIBOR. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates or financing costs to borrowers. We have material contracts that are indexed to USD-LIBOR, and we are monitoring this activity and evaluating the related risks.

Corporate Risks

The price of our common shares may fluctuate significantly.

The market price of our common shares fluctuates based upon numerous factors, many of which are outside of our control. A decline in our share price, whether related to our operating results or not, may constrain our ability to raise equity in pursuit of our business objectives. In addition, a decline in price may affect the perceptions of lenders, tenants or others with whom we transact. Such parties may withdraw from doing business with us as a result. An inability to raise capital at a suitable cost or at any cost, or to do business with certain tenants or other parties, would affect our operations and financial condition.

Our failure to qualify as a REIT would result in higher taxes and reduced cash available for distribution to our shareholders.

We intend to operate in a manner so as to qualify as a REIT for federal income tax purposes. Our continued qualification as a REIT will depend on our satisfaction of certain asset, income, investment, organizational, distribution, shareholder ownership and other requirements on a continuing basis. Our ability to satisfy the asset requirements depends upon our analysis of the fair market values of our assets, some of which are not susceptible to a precise determination and for which we will not obtain independent appraisals. In addition, our compliance with the REIT income and asset requirements depends upon our ability to manage successfully the composition of our income and assets on an ongoing basis. Moreover, the proper classification of an instrument as debt or equity for federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT qualification requirements. Accordingly, there can be no assurance that the Internal Revenue Service ("IRS") will not contend that our interests in subsidiaries or other issuers constitute a violation of the REIT requirements. Moreover, future economic, market, legal, tax or other considerations may cause us to fail to qualify as a REIT.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates and distributions to shareholders would not be deductible by us in computing our taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our shareholders, which in turn could have an adverse impact on the value of and trading prices for, our common shares. Unless entitled to relief under certain Code provisions, we also would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT.

If our subsidiary REITs failed to qualify as REITs, we could be subject to higher taxes and could fail to remain qualified as a REIT.

Our Operating Partnership indirectly owns 51.5% of the common shares of each of five subsidiary REITs that will elect to be taxed as REITs under the U.S. federal income tax law for their short taxable year ended December 31, 2019. Our subsidiary REITs are subject to the various REIT qualification requirements and other limitations described herein that are applicable to us. If any of our subsidiary REITs were to fail to qualify as a REIT, then (i) such subsidiary REITs would become subject to U.S. federal income tax and (ii) our ownership of shares in such subsidiary REITs would cease to be a qualifying asset for purposes of the asset tests applicable to REITs. If our subsidiary REITs were to fail to qualify as a REIT, it is possible that we would fail certain of the asset tests applicable to REITs, in which event we would fail to qualify as a REIT unless we could avail ourselves of certain relief provisions. We intend to implement certain protective arrangements intended to avoid such an outcome if our subsidiary REITs were not to qualify as a REIT, but there can be no assurance that such arrangements will be effective to avoid the resulting adverse consequences to us.

Even as a REIT, we may be subject to various federal income and excise taxes, as well as state and local taxes.

Even as a REIT, we may be subject to federal income and excise taxes in various situations, such as if we fail to distribute all of our REIT taxable income. We also will be required to pay a 100% tax on non-arm's length transactions between us and our TRSs and on any net income from sales of property that the IRS successfully asserts was property held for sale to customers in the ordinary course of business. Additionally, we may be subject to state or local taxation in various state or local jurisdictions, including those in which we transact business. The state and local tax laws may not conform to the federal income tax treatment. Any taxes imposed on us would reduce our operating cash flow and net income.

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the United States Treasury Department. Changes to tax laws, which may have retroactive application, could adversely affect our shareholders or us. We cannot predict how changes in tax laws might affect our shareholders or us.

We are party to litigation in the ordinary course of business, and an unfavorable court ruling could have a negative effect on us.

We are the defendant in a number of claims brought by various parties against us. Although we intend to exercise due care and consideration in all aspects of our business, it is possible additional claims could be made against us. We maintain insurance coverage including general liability coverage to help protect us in the event a claim is awarded; however, some claims may be uninsured. In the event that claims against us are successful and uninsured or underinsured, or we elect to settle claims that we determine are in our interest to settle, our operating results and cash flow could be adversely impacted. In addition, an increase in claims and/or payments could result in higher insurance premiums, which could also adversely affect our operating results and cash flow.

We are subject to various environmental laws and regulations which govern our operations and which may result in potential liability.

Under various federal, state and local laws, ordinances and regulations relating to the protection of the environment, a current or previous owner or operator of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances disposed, stored, released, generated, manufactured or discharged from, on, at, onto, under or in such property. Environmental laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence or release of such hazardous or toxic substance. The presence of such substances, or the failure to properly remediate such substances when present, released or discharged, may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. The cost of any required remediation and the liability of the owner or operator therefore as to any property is generally not limited under such environmental laws and could exceed the value of the property and/or the aggregate assets of the owner or operator. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the cost of removal or remediation of such substances at a disposal or treatment facility, whether or not such facility is owned or operated by such persons. In addition to any action required by federal, state or local authorities, the presence or release of hazardous or toxic substances on or from any property could result in private plaintiffs bringing claims for personal injury or other causes of action.

In connection with ownership (direct or indirect), operation, management and development of real properties, we have the potential to be liable for remediation, releases or injury. In addition, environmental laws impose on owners or operators the requirement of ongoing compliance with rules and regulations regarding business-related activities that may affect the environment. Such activities include, for example, the ownership or use of transformers or underground tanks, the treatment or discharge of waste waters or other materials, the removal or abatement of asbestos-containing materials ("ACMs") or lead-containing paint during renovations or otherwise, or notification to various parties concerning the potential presence of regulated matters, including ACMs. Failure to comply with such requirements could result in difficulty in the lease or sale of any affected property and/or the imposition of monetary penalties, fines or other sanctions in addition to the costs required to attain compliance. Several of our properties have or may contain ACMs or underground storage tanks; however, we are not aware of any potential environmental liability which could reasonably be expected to have a material impact on our financial position or results of operations. No assurance can be given that future laws, ordinances or regulations will not impose any material environmental requirement or liability, or that a material adverse environmental condition does not otherwise exist.

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

We depend on the efforts and expertise of our senior management team to manage our day-to-day operations and strategic business direction. While we have retention and severance agreements with certain members of our executive management team that provide for certain payments in the event of a change of control or termination without cause, we do not have employment agreements with all of the members of our executive management team. Therefore, we cannot guarantee their continued service. The loss of their services, and our inability to find suitable replacements, could have an adverse effect on our operations.

Our business and operations would suffer in the event of system failures, security breaches, cyber security intrusions, cyber-attacks or other disruptions of our information technology systems.

We rely extensively upon information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage and support a variety of business processes and activities. Although we employ a number of security measures to prevent, detect and mitigate these risks, including a disaster recovery plan for our internal information technology systems, a dedicated IT team, employee training and background checks and password protection, along with purchasing cyber liability insurance coverage, there can be no assurance that these measures will be effective and our systems, networks and services remain vulnerable to damages from any number of sources, including system failures due to energy blackouts, natural disasters, terrorism, war or telecommunication failures, security breaches, cyber intrusions and cyber security attacks, such as computer viruses, malware or e-mail attachments or any unauthorized access to our data and/or computer systems. In recent years, there has been an increased number of significant cyber security attacks that include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. A system failure, security breach, cyber intrusion, cyber-attack or other disruption of our information technology systems may cause interruptions in our operations and other negative consequences, which may include but are not limited to the following, any of which could have a material adverse effect on our cash flow, financial condition and results of operations:

- Compromising of confidential information;
- Manipulation and destruction of data;
- System downtime and operational disruptions;
- Remediation cost that may include liability for stolen assets or information, expenses related to repairing system damage, costs associated with damage to business relationships or due to legal requirements imposed;
- Loss of revenues resulting from unauthorized use of proprietary information;
- Cost to deploy additional protection strategies, training employees and engaging third party experts and consultants;
- Reputational damage adversely affecting investor confidence;
- Damage to tenant relationships;
- Violation of applicable privacy and other laws;
- Litigation; and
- Loss of trade secrets.

Restrictions on the ownership of our common shares are in place to preserve our REIT status.

Our Declaration of Trust restricts ownership by any one shareholder to no more than 9.8% of our outstanding common shares, subject to certain exceptions granted by our Board. The ownership limit is intended to ensure that we maintain our REIT status given that the Code imposes certain limitations on the ownership of the stock of a REIT. Not more than 50% in value of our outstanding shares of beneficial interest may be owned, directly or indirectly by five or fewer individuals (as defined in the Code) during the last half of any taxable year. If an individual or entity were found to own constructively more than 9.8% in value of our outstanding shares, then any excess shares would be transferred by operation of our Declaration of Trust to a charitable trust, which would sell such shares for the benefit of the shareholder in accordance with procedures specified in our Declaration of Trust.

The ownership limit may discourage a change in control, may discourage tender offers for our common shares and may limit the opportunities for our shareholders to receive a premium for their shares. Upon due consideration, our Board previously has granted limited exceptions to this restriction for certain shareholders who requested an increase in their ownership limit. However, the Board has no obligation to grant such limited exceptions in the future.

Certain anti-takeover provisions of our Declaration of Trust and Bylaws may inhibit a change of our control.

Certain provisions contained in our Declaration of Trust and Amended and Restated Bylaws (the “Bylaws”) and the Maryland General Corporation Law, as applicable to Maryland REITs, may discourage a third party from making a tender offer or acquisition proposal to us. These provisions and actions may delay, deter or prevent a change in control or the removal of existing management. These provisions and actions also may delay or prevent the shareholders from receiving a premium for their common shares of beneficial interest over then-prevailing market prices.
These provisions and actions include:

- the REIT ownership limit described above;
- authorization of the issuance of our preferred shares of beneficial interest with powers, preferences or rights to be determined by our Board;
- special meetings of our shareholders may be called only by the chairman of our Board, the president, one-third of the Trustees, or the secretary upon the written request of the holders of shares entitled to cast not less than a majority of all the votes entitled to be cast at such meeting;
- a two-thirds shareholder vote is required to approve some amendments to our Declaration of Trust;
- our Bylaws contain advance-notice requirements for proposals to be presented at shareholder meetings; and
- our Board, without the approval of our shareholders, may from time to time (i) amend our Declaration of Trust to increase or decrease the aggregate number of shares of beneficial interest, or the number of shares of beneficial interest of any class, that we have authority to issue, and (ii) reclassify any unissued shares of beneficial interest into one or more classes or series of shares of beneficial interest.

In addition, the Trust, by Board action, may elect to be subject to certain provisions of the Maryland General Corporation Law that inhibit takeovers such as the provision that permits the Board by way of resolution to classify itself, notwithstanding any provision our Declaration of Trust or Bylaws.

Changes in accounting standards may adversely impact our financial results.

The Financial Accounting Standards Board, in conjunction with the SEC, has several projects on its agenda, as well as recently issued updates that could impact how we currently account for material transactions. At this time, we are unable to predict with certainty which, if any, proposals may be passed or what level of impact that new standards may have on the presentation of our consolidated financial statements, results of operations and financial ratios required by our debt covenants. Refer to Note 2 of the notes to the consolidated financial statements in this report for further information related to the impact of the new leasing standard (ASC Topic 842).

U.S. federal tax reform legislation could affect REITs generally, the geographic markets in which we operate, our stock and our results of operations, both positively and negatively in ways that are difficult to anticipate.

Changes to the federal income tax laws are proposed regularly. Additionally, the REIT rules are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Department of the Treasury, which may result in revisions to regulations and interpretations in addition to statutory changes. If enacted, certain such changes could have an adverse impact on our business and financial results. In particular, H.R. 1, which generally took effect for taxable years that began on or after January 1, 2018 (subject to certain exceptions), made many significant changes to the federal income tax laws that profoundly impacted the taxation of individuals, corporations (both regular C corporations as well as corporations that have elected to be taxed as REITs), and the taxation of taxpayers with overseas assets and operations. A number of changes that affect non-corporate taxpayers will expire at the end of 2025 unless Congress acts to extend them. These changes will impact us and our shareholders in various ways, some of which are adverse or potentially adverse compared to prior law. To date, the IRS has issued guidance with respect to many of the new provisions but there are several interpretive issues that still require further guidance. It is likely that technical corrections legislation will be needed to clarify certain aspects of the new law and give proper effect to Congressional intent. There can be no assurance, however, that technical clarifications or further changes needed to prevent unintended or unforeseen tax consequences will be enacted by Congress in the near future. In addition, while certain elements of tax reform legislation do not impact us directly as a REIT, they could impact the geographic markets in which we operate, the tenants that populate our shopping centers and the customers who frequent our properties in ways, both positive and negative, that are difficult to anticipate.

Other legislative proposals could be enacted in the future that could affect REITs and their shareholders. Prospective investors are urged to consult their tax advisors regarding the effect of H.R. 1 and any other potential tax law changes on an investment in our common stock.

We may have to borrow funds or sell assets to meet our distribution requirements.

Subject to some adjustments that are unique to REITs, a REIT generally must distribute 90% of its taxable income. For the purpose of determining taxable income, we may be required to accrue interest, rent and other items treated as earned for tax purposes but that we have not yet received. In addition, we may be required not to accrue as expenses for tax purposes some that which actually have been paid, including, for example, payments of principal on our debt, or some of our deductions might be disallowed by the Internal Revenue Service. As a result, we could have taxable income in excess of cash available for distribution. If this occurs, we may have to borrow funds or liquidate some of our assets in order to meet the distribution requirement applicable to a REIT.

Liquidation of our assets may jeopardize our REIT qualification.

To qualify as a REIT, we must comply with requirements regarding our assets and our sources of income. If we are compelled to liquidate our investments to repay obligations to our lenders, we may be unable to comply with these requirements, ultimately jeopardizing our qualification as a REIT, or we may be subject to a 100% tax on any gain if we sell assets in transactions that are considered to be "prohibited transactions," which are explained in the risk factor *"Even as a REIT, we may be subject to various federal income and excise taxes, as well as state and local taxes"*.

Dividends payable by REITs do not qualify for the reduced tax rates on dividend income from regular corporations.

The maximum federal income tax rate applicable to "qualified dividend income" payable by non-REIT corporations to certain non-corporate U.S. stockholders is generally 20%, and a 3.8% Medicare tax may also apply. Dividends paid by REITs, however, generally are not eligible for the reduced rates applicable to qualified dividend income. Commencing with taxable years beginning on or after January 1, 2018 and continuing through 2025, H.R. 1 temporarily reduces the effective tax rate on ordinary REIT dividends (i.e., dividends other than capital gain dividends and dividends attributable to certain qualified dividend income received by us) for U.S. holders of our common stock that are individuals, estates or trusts by permitting such holders to claim a deduction in determining their taxable income equal to 20% of any such dividends they receive. Taking into account H.R. 1's reduction in the maximum individual federal income tax rate from 39.6% to 37%, this results in a maximum effective rate of regular income tax on ordinary REIT dividends of 29.6% through 2025 (as compared to the 20% maximum federal income tax rate applicable to qualified dividend income received from a non-REIT corporation). The more favorable rates applicable to regular corporate distributions could cause investors who are individuals to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay distributions. This could materially and adversely affect the value of the stock of REITs, including our common stock.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties

As of December 31, 2019, we owned and managed a portfolio of 49 shopping centers (including five shopping centers owned through R2G) with approximately 11.9 million square feet ("SF") of GLA. Our wholly-owned properties consist of 44 shopping centers comprising approximately 11.1 million square feet of GLA.

Property Name	Location City	State	Ownership %	Year Built / Acquired / Redeveloped	Total GLA	% Leased	Average base rent per leased SF [1]	Anchor Tenants [2]
Atlanta [MSA Rank 9]								
Holcomb Center	Alpharetta	GA	100%	1986/1996/2010	106,143	89.6 %	$ 12.83	Studio Movie Grill, Zoo Health Club
Peachtree Hill	Duluth	GA	100%	1986/2015/NA	154,700	98.3 %	14.19	Kroger, LA Fitness
Promenade at Pleasant Hill	Duluth	GA	100%	1993/2004/NA	265,398	98.1 %	10.87	K1 Speed, LA Fitness, Publix
Austin [MSA Rank 30]								
Lake Hills Plaza	Austin	TX	100%	1980/2019/2019	75,926	96.3 %	25.69	TruFusion, (Target)
Baltimore [MSA Rank 21]								
Crofton Centre	Crofton	MD	100%	1974/2015/NA	252,230	96.3 %	9.38	At Home, Gold's Gym, Shoppers Food Warehouse
Chicago [MSA Rank 3]								
Deer Grove Centre	Palatine	IL	100%	1997/2013/2013	237,644	85.4 %	10.60	Aldi, Hobby Lobby, Ross Dress for Less, T.J. Maxx, (Target)
Market Plaza	Glen Ellyn	IL	100%	1965/2015/2009	166,572	90.0 %	15.49	Jewel-Osco, Ross Dress for Less
Mount Prospect Plaza	Mount Prospect	IL	100%	1958/2013/2013	227,690	94.2 %	14.10	Aldi, Burlington Coat Factory, LA Fitness, Marshalls, Ross Dress for Less, (Walgreens)
Webster Place	Lincoln Park	IL	100%	1987/2017/NA	134,918	95.0 %	25.83	Barnes & Noble, Regal Cinema
Cincinnati [MSA Rank 28]								
Bridgewater Falls	Hamilton	OH	100%	2005/2014/NA	503,340	94.4 %	14.60	Bed Bath & Beyond, Best Buy, Dick's Sporting Goods, Five Below, J.C. Penney, Michaels, PetSmart, T.J. Maxx, (Target)
Buttermilk Towne Center	Crescent Springs	KY	100%	2005/2014/NA	290,033	100.0 %	10.22	Field & Stream, Home Depot, LA Fitness, Petco, Remke Market
Deerfield Towne Center	Mason	OH	100%	2004/2013/2018	469,209	90.7 %	21.80	Ashley Furniture HomeStore, Bed Bath & Beyond, buybuy Baby, CoHatch[3], Crunch Fitness Dick's Sporting Goods, Five Below, Regal Cinemas, Whole Foods Market
Columbus [MSA Rank 33]								
Olentangy Plaza	Columbus	OH	100%	1981/2015/1997	252,739	88.2 %	12.45	Aveda Institute Columbus, Eurolife Furniture, Marshalls, Micro Center, Tuesday Morning
The Shops on Lane Avenue	Upper Arlington	OH	100%	1952/2015/2004	183,130	93.4 %	25.14	Bed Bath & Beyond, CoHatch, Whole Foods Market
Denver [MSA Rank 19]								
Front Range Village	Fort Collins	CO	100%	2008/2014/NA	504,008	89.3 %	19.83	2nd and Charles, Cost Plus World Market, DSW, Microsoft Corporation, Party City, Sprouts Farmers Market, Staples, TruFut Athletic Club, Ulta Beauty, Urban Air Adventure Park, (Fort Collins Library), (Lowes), (Target)

Property Name	Location City	State	Ownership %	Year Built / Acquired / Redeveloped	Total GLA	% Leased	Average base rent per leased SF [1]	Anchor Tenants [2]
Detroit [MSA Rank 14]								
Clinton Pointe	Clinton Township	MI	100%	1992/2003/NA	135,450	93.9 %	9.98	Gibralter Rug, OfficeMax, T.J. Maxx, (Target)
Hunter's Square	Farmington Hills	MI	100%	1988/2013/NA	352,772	99.1 %	17.14	Bed Bath & Beyond, buybuy Baby, DSW Shoe Warehouse , Old Navy, Marshalls, Saks Fifth Avenue Off 5th, T.J. Maxx
Southfield Plaza	Southfield	MI	100%	1969/1996/2003	190,099	97.9 %	9.54	Big Lots, Burlington Coat Factory, Forman Mills
Tel-Twelve	Southfield	MI	100%	1968/1996/2005	523,382	100.0 %	11.76	Best Buy, DSW Shoe Warehouse, Lowe's, Meijer, Michaels, Office Depot, PetSmart, Ulta
Troy Marketplace	Troy	MI	100%	2000/2013/2010	245,130	100.0 %	20.55	Airtime, Golf Galaxy, LA Fitness, Nordstrom Rack, PetSmart, (REI)
West Oaks I Shopping Center	Novi	MI	100%	1979/1996/2004	284,973	91.0 %	17.30	Gardner White Furniture, Home Goods, Michaels, Nordstrom Rack, Old Navy, Rally House, The Container Store
West Oaks II Shopping Center	Novi	MI	100%	1986/1996/2000	167,954	98.7 %	18.59	Jo-Ann, Marshalls, (Art Van), (ABC Warehouse), (Bed Bath & Beyond), (Bob's Discount Furniture), (Kohl's), (Value City Furniture)
Winchester Center	Rochester Hills	MI	100%	1980/2013/NA	320,134	100.0 %	12.69	Bed Bath & Beyond, Dick's Sporting Goods, Marshalls, Michaels, Party City, PetSmart, Stein Mart
Indianapolis [MSA Rank 34]								
Merchants' Square	Carmel	IN	100%	1970/2010/2014	248,461	88.9 %	14.04	Flix Brewhouse, Planet Fitness
Jacksonville [MSA Rank 40]								
Parkway Shops	Jacksonville	FL	100%	2013/2008/NA	144,114	100.0 %	11.79	Dick's Sporting Goods, Hobby Lobby, Marshalls, (Wal-Mart Supercenter)
River City Marketplace	Jacksonville	FL	100%	2005/2005/NA	585,918	91.1 %	18.89	Ashley Furniture HomeStore, Bed Bath & Beyond, Best Buy, Burlington Coat Factory, Duluth Trading, Hollywood Theaters, Michaels, PetSmart, Ross Dress for Less, (Lowe's), (Wal-Mart Supercenter)
Miami [MSA Rank 8]								
Marketplace of Delray	Delray Beach	FL	100%	1981/2013/2010	241,715	93.3 %	15.76	Office Depot, Ross Dress for Less, Winn-Dixie
Rivertowne Square	Deerfield Beach	FL	100%	1980/1998/2010	146,666	92.6 %	11.00	Bealls, Winn-Dixie
West Broward Shopping Center	Plantation	FL	100%	1965/2013/NA	152,973	88.0 %	11.97	Badcock, DD's Discounts, Save-A-Lot
Milwaukee [MSA Rank 39]								
Nagawaukee Center	Delafield	WI	100%	1994/2012-13/NA	220,083	100.0 %	15.07	HomeGoods, Kohl's, Marshalls, Sierra Trading Post, (Sentry Foods)
West Allis Towne Centre	West Allis	WI	100%	1987/1996/2011	326,223	86.2 %	10.08	Burlington Coat Factory, Five Below, Hobby Lobby, Ross Dress for Less, Xperience Fitness
Minneapolis [MSA Rank 16]								
Centennial Shops	Edina	MN	100%	2008/2016/NA	85,206	97.3 %	41.53	Pinstripes, The Container Store, West Elm
Woodbury Lakes	Woodbury	MN	100%	2005/2014/NA	360,028	88.1 %	21.34	Alamo Drafthouse Cinema, Athleta, DSW, H&M, Michaels, (Trader Joe's)

Property Name	Location City	State	Ownership %	Year Built / Acquired / Redeveloped	Total GLA	% Leased	Average base rent per leased SF [1]	Anchor Tenants [2]
Nashville [MSA Rank 36]								
Providence Marketplace	Mt. Juliet	TN	100%	2006/2017/NA	632,552	98.5 %	13.42	Belk, Best Buy, Books A Million, Dick's Sporting Goods, J C Penney, JoAnn Fabrics, Old Navy, PetSmart, Regal Cinema, Ross Dress for Less, Staples, T.J. Maxx/HomeGoods, (Kroger), (Target)
St. Louis [MSA Rank 20]								
Central Plaza	Ballwin	MO	100%	1970/2012/2012	163,625	91.6 %	12.77	buybuy Baby, Jo-Ann, Old Navy, Ross Dress for Less
Deer Creek Shopping Center	Maplewood	MO	100%	1975/2013/2013	208,122	96.9 %	10.55	buybuy Baby, Club Fitniess, GFS, Marshalls, Ross Dress for Less
Heritage Place	Creve Coeur	MO	100%	1989/2011/2005	269,127	98.9 %	14.80	Dierbergs Markets, Marshalls, Office Depot, T.J. Maxx
Tampa [MSA Rank 18]								
Cypress Point	Clearwater	FL	100%	1983/2013/NA	168,736	98.9 %	12.76	At Home, The Fresh Market
Lakeland Park Center	Lakeland	FL	100%	2014/NA/NA	230,662	98.3 %	14.12	Dick's Sporting Goods, Floor & Décor, Northern Tool, Ross Dress for Less, (Target)
Shoppes of Lakeland	Lakeland	FL	100%	1985/1996/NA	183,702	100.0 %	13.45	Ashley Furniture HomeStore, Michaels, Staples, T.J. Maxx, (Target)
Village Lakes Shopping Center	Land O' Lakes	FL	100%	1987/1997/NA	167,735	99.4 %	9.99	Bealls Outlet, Marshalls, Ross Dress for Less
Properties Not in Top 40 MSA's								
Spring Meadows Place	Holland	OH	100%	1987/1996/2005	314,514	90.3 %	11.16	Ashley Furniture HomeStore, Big Lots, DSW, Guitar Center, HomeGoods, Michaels, OfficeMax, PetSmart, T.J. Maxx, (Best Buy), (Dick's Sporting Goods), (Sam's Club), (Target), (Wal-Mart)
Treasure Coast Commons	Jensen Beach	FL	100%	1996/2013/NA	91,656	100.0 %	12.92	Barnes & Noble, Beall's Outlet Store, Dick's Sporting Goods
Vista Plaza	Jensen Beach	FL	100%	1998/2013/NA	109,761	100.0 %	14.83	Bed Bath & Beyond, Michaels, Total Wine & More
CONSOLIDATED SHOPPING CENTERS TOTAL/AVERAGE					**11,095,153**	**94.6 %**	**$ 15.03**	
JOINT VENTURE PORTFOLIO								
Coral Creek Shops	Coconut Creek	FL	51.5%	1992/2002/NA	109,312	94.3 %	19.63	Publix
Mission Bay Plaza	Boca Raton	FL	51.5%	1989/2013/NA	262,701	98.4 %	25.23	Dick's Sporting Goods, Five Below, LA Fitness, OfficeMax, Tuesday Morning, The Fresh Market
The Crossroads	Royal Palm Beach	FL	51.5%	1988/2002/NA	121,509	100.0 %	17.72	Publix
The Shops at Old Orchard	West Bloomfield	MI	51.5%	1972/2013/2011	96,768	95.3 %	19.14	Plum Market
Town & Country Crossing	Town & Country	MO	51.5%	2008/2011/2011	186,557	97.0 %	24.98	HomeGoods, Starbucks, Stein Mart, Whole Foods Market, (Target)
AGGREGATE PORTFOLIO TOTAL/AVERAGE					**11,872,000**	**94.7 %**	**$ 15.29**	

[1] Average base rent per leased SF is calculated based on annual minimum contractual base rent pursuant to the tenant lease, excluding percentage rent and recovery income from tenants, and is net of tenant concessions. Percentage rent and recovery income from tenants is presented separately in our consolidated statements of operations and comprehensive income (loss) statement.

[2] Anchor tenant is defined as any tenant leasing 10,000 square feet or more. Tenants in parenthesis represent non-company owned GLA.

[3] Space delivered to tenant.

Our leases for tenant space under 10,000 square feet generally have terms ranging from three to five years. Tenant leases greater than or equal to 10,000 square feet generally have lease terms of five years or longer, and are considered anchor leases. Many of the anchor leases provide tenants with the option of extending the lease term at expiration at contracted rental rates that often include fixed rent increases, consumer price index adjustments or other market rate adjustments from the prior base rent. The majority of our leases provide for monthly payment of base rent in advance, reimbursement of the tenant's allocable real estate taxes, insurance and common area maintenance expenses and reimbursement for utility costs if not directly metered.

Major Tenants

The following table sets forth as of December 31, 2019 the breakdown of GLA between anchor and small shop tenants, of our wholly owned properties portfolio comprised of 44 properties and the pro-rata share of the five shopping centers owned through R2G (the "R2G Portfolio"):

Type of Tenant	Annualized Base Rent	% of Total Annualized Base Rent	GLA	% of Total GLA
Anchor [1]	$ 95,217,318	57.4 %	8,085,365	70.3 %
Small Shop [2]	70,639,309	42.6 %	3,409,864	29.7 %
Total	$ 165,856,627	100.0 %	11,495,229	100.0 %

[1] Anchor tenant is defined as any tenant leasing 10,000 square feet or more.
[2] Small shop tenant is defined as any tenant leasing less than 10,000 square feet.

The following table provides, as of December 31, 2019, information regarding leases with the 25 largest retail tenants (in terms of annualized base rent) for our wholly owned properties portfolio and the pro-rata share of the R2G Portfolio:

Tenant Name	Credit Rating S&P/Moody's [(1)]	Number of Leases	Number of Leases in the R2G Portfolio	GLA	% of Total Company Owned GLA	Total Annualized Base Rent	Annualized Base Rent / SF	% of Annualized Base Rent
TJX Companies [(2)]	A+/A2	23	1	709,770	6.1 %	$ 7,520,936	$ 10.60	4.5 %
Dick's Sporting Goods [(3)]	--/--	10	1	451,967	3.9 %	5,462,121	12.09	3.3 %
Regal Cinemas	--/Ba1	4	—	219,160	1.9 %	4,968,395	22.67	3.0 %
Bed Bath & Beyond [(4)]	BB/Baa3	14	—	418,062	3.6 %	4,824,941	11.54	2.9 %
LA Fitness	B+/B2	6	1	233,419	2.0 %	4,407,080	18.88	2.7 %
PetSmart	B-/B3	8	—	178,250	1.5 %	2,832,681	15.89	1.7 %
Michaels Stores	B+/Ba2	9	—	217,456	1.9 %	2,820,064	12.97	1.7 %
Ross Stores [(5)]	A-/A2	12	—	307,212	2.7 %	2,722,432	8.86	1.6 %
Gap, Inc. [(6)]	BB/Baa2	13	1	155,336	1.3 %	2,682,821	17.27	1.6 %
DSW Designer Shoe Warehouse	--/--	6	—	119,656	1.0 %	2,295,617	19.19	1.4 %
Burlington Coat Factory	BB+/Bal	4	—	213,945	1.9 %	2,138,244	9.99	1.3 %
ULTA Salon	--/--	9	—	93,137	0.8 %	2,135,428	22.93	1.3 %
Office Depot [(7)]	B/Ba3	7	1	155,341	1.3 %	2,135,201	13.75	1.3 %
Best Buy	BBB/Baa1	4	—	134,129	1.2 %	2,089,147	15.58	1.3 %
Dollar Tree	BBB-/Baa3	19	1	191,356	1.7 %	1,988,961	10.39	1.2 %
Ascena Retail [(8)]	CCC/Caa2	18	—	95,236	0.8 %	1,912,223	20.08	1.2 %
Whole Foods	A+/A3	3	1	92,198	0.8 %	1,844,200	20.00	1.1 %
Jo-Ann Fabrics and Craft Stores	B-/B2	4	—	134,949	1.2 %	1,731,135	12.83	1.0 %
Meijer	--/--	1	—	189,635	1.7 %	1,530,650	8.07	0.9 %
Ashley Furniture HomeStore	--/--	4	—	147,778	1.3 %	1,463,243	9.90	0.9 %
Barnes & Noble	--/--	2	—	54,947	0.5 %	1,367,315	24.88	0.8 %
Pinstripes	--/--	1	—	32,414	0.3 %	1,365,926	42.14	0.8 %
At Home	--/--	2	—	177,946	1.6 %	1,362,504	7.66	0.8 %
Five Below		9	1	77,316	0.7 %	1,317,120	17.04	0.8 %
The Container Store	B/B2	2	—	45,011	0.4 %	1,251,856	27.81	0.8 %
Total top 25 tenants		**194**	**8**	**4,845,626**	**42.1 %**	**$ 66,170,241**	**$ 13.66**	**39.9 %**

(1) Source: Latest Company filings, as of December 31, 2019, per CreditRiskMonitor. Data reflects credit rating of parent company.

(2) Marshalls (10) / TJ Maxx (8) / HomeGoods (4) / Sierra Trading Post (1)

(3) Dick's Sporting Goods (8) / Field & Stream (1) / Golf Galaxy (1)

(4) Bed Bath & Beyond (7) / Buy Buy Baby (5) / Cost Plus World Market (2)

(5) Ross Dress for Less (11) / DD's Discounts (1)

(6) Old Navy (7) / Gap (2) / Banana Republic (1) / Athleta (3)

(7) OfficeMax (4) / Office Depot (3)

(8) Ann Taylor (3) / Catherine's (3) / Dress Barn (2) / Justice (4) / Lane Bryant (6)

Lease Expirations

The following tables set forth a schedule of lease expirations for our wholly owned portfolio and the pro-rata share of the R2G Portfolio, for each of the next ten years and thereafter, assuming that no renewal options are exercised:

ALL TENANTS

Expiring Leases As of December 31, 2019					
Year	**Number of Leases**	**GLA**	**Average Annualized Base Rent**	**Total Annualized Base Rent** [(1)]	**% of Total Annualized Base Rent**
			(per square foot)		
2020	121	536,736	$ 16.79	$ 9,010,083	5.4 %
2021	208	1,493,756	16.58	24,761,122	14.9 %
2022	179	1,116,769	17.46	19,502,869	11.8 %
2023	192	1,695,308	15.12	25,625,898	15.5 %
2024	132	1,115,836	13.82	15,415,578	9.3 %
2025	80	1,096,799	13.90	15,246,718	9.2 %
2026	61	942,930	13.04	12,295,326	7.4 %
2027	58	485,283	16.85	8,178,038	4.9 %
2028	86	786,153	16.61	13,055,821	7.9 %
2029	91	777,376	13.52	10,506,914	6.3 %
2030+	48	713,621	15.05	10,742,647	6.5 %
Tenants month to month	21	83,402	18.17	1,515,613	0.9 %
Sub-Total	**1,277**	**10,843,969**	**$ 15.29**	**$ 165,856,627**	**100.0 %**
Leased [(2)]	14	43,035	N/A	N/A	N/A
Vacant	156	608,225	N/A	N/A	N/A
Total	**1,447**	**11,495,229**	**N/A**	**$ 165,856,627**	**100.0 %**

[(1)] Annualized Base Rent is based upon rents currently in place.
[(2)] Includes signed leases where rent has not yet commenced.

ANCHOR TENANTS (greater than or equal to 10,000 square feet)

Expiring Anchor Leases As of December 31, 2019					
Year	**Number of Leases**	**GLA**	**Average Annualized Base Rent**	**Total Annualized Base Rent** [(1)]	**% of Total Annualized Base Rent**
			(per square foot)		
2020	9	236,447	$ 10.24	$ 2,421,840	2.5 %
2021	45	1,060,497	13.88	14,716,389	15.5 %
2022	30	691,206	13.50	9,329,354	9.9 %
2023	38	1,270,436	11.79	14,980,287	15.7 %
2024	30	791,673	10.65	8,434,365	8.9 %
2025	30	896,980	12.13	10,878,360	11.4 %
2026	17	807,859	10.83	8,752,607	9.2 %
2027	16	334,605	13.36	4,469,277	4.7 %
2028	18	590,955	12.97	7,662,949	8.0 %
2029	17	580,045	10.03	5,817,525	6.1 %
2030+	17	582,122	13.08	7,612,556	8.0 %
Tenants month to month	1	22,585	6.28	141,809	0.1 %
Sub-Total	**268**	**7,865,410**	**$ 12.11**	**$ 95,217,318**	**100.0 %**
Leased [(2)]	1	13,318	N/A	N/A	N/A
Vacant	11	206,637	N/A	N/A	N/A
Total	**280**	**8,085,365**	**N/A**	**$ 95,217,318**	**100.0 %**

[(1)] Annualized Base Rent is based upon rents currently in place.
[(2)] Includes signed leases where rent has not yet commenced.

SMALL SHOP TENANTS (less than 10,000 square feet)

Expiring Small Shop Leases As of December 31, 2019					
Year	Number of Leases	GLA	Average Annualized Base Rent	Total Annualized Base Rent (1)	% of Total Annualized Base Rent
			(per square foot)		
2020	112	300,289	$ 21.94	$ 6,588,243	9.3 %
2021	163	433,259	23.18	10,044,733	14.2 %
2022	149	425,563	23.91	10,173,515	14.4 %
2023	154	424,872	25.06	10,645,611	15.1 %
2024	102	324,163	21.54	6,981,213	9.9 %
2025	50	199,819	21.86	4,368,358	6.2 %
2026	44	135,071	26.23	3,542,719	5.0 %
2027	42	150,678	24.61	3,708,761	5.3 %
2028	68	195,198	27.63	5,392,872	7.7 %
2029	74	197,331	23.76	4,689,389	6.6 %
2030+	31	131,499	23.80	3,130,091	4.4 %
Tenants month to month	20	60,817	22.59	1,373,804	1.9 %
Sub-Total	**1,009**	**2,978,559**	**$ 23.72**	**$ 70,639,309**	**100.0 %**
Leased (2)	13	29,717	N/A	N/A	N/A
Vacant	145	401,588	N/A	N/A	N/A
Total	**1,167**	**3,409,864**	**N/A**	**$ 70,639,309**	**100.0 %**

(1) Annualized Base Rent is based upon rents currently in place.
(2) Includes signed leases where rent has not yet commenced.

Land Available for Development

At December 31, 2019, our three largest development sites, Parkway Shops, Lakeland Park Center and Hartland Towne Square, had environmental phase one assessments completed. It is our policy to start construction on new development projects only after the project has received entitlements, significant anchor commitments and construction financing, if appropriate. At December 31, 2019, we had received entitlements at our Parkway Shops site. We continue to evaluate the best use for land available for development, portions of which are adjacent to our existing shopping centers.

Our development and construction activities are subject to risks and uncertainties including, among others, our inability to obtain the necessary governmental approvals for a project, our determination that the expected return on a project is not sufficient to warrant continuation of the planned development, or our change in plan or scope for the development. If any of these events occur, we may record an impairment provision. See Item 1A. Risk Factors, for further information regarding our risk factors.

The Company evaluates these assets each reporting period and records an impairment charge equal to the difference between the current carrying value and fair value, when the fair value is determined to be less than the asset's carrying value. During 2019, we did not record any impairment charges on our land parcels. We recorded impairment provisions of $0.2 million and $1.0 million in 2018 and 2017, respectively, related to developable land that we decided to market for sale. Refer to Note 1 of the notes to the consolidated financial statements in this report for further information related to impairment provisions.

Insurance

Our tenants are generally responsible under their leases for providing adequate insurance on the spaces they lease. In addition, we believe our properties are adequately covered by commercial general liability, fire, flood, terrorism, environmental, and where necessary, hurricane and windstorm insurance coverages, which are all provided by reputable companies, with commercially reasonable exclusions, deductibles and limits.

Item 3. Legal Proceedings

From time to time, we are involved in certain litigation arising in the ordinary course of business. We do not believe that any of this litigation will have a material effect on our consolidated financial statements. There are no material pending governmental proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

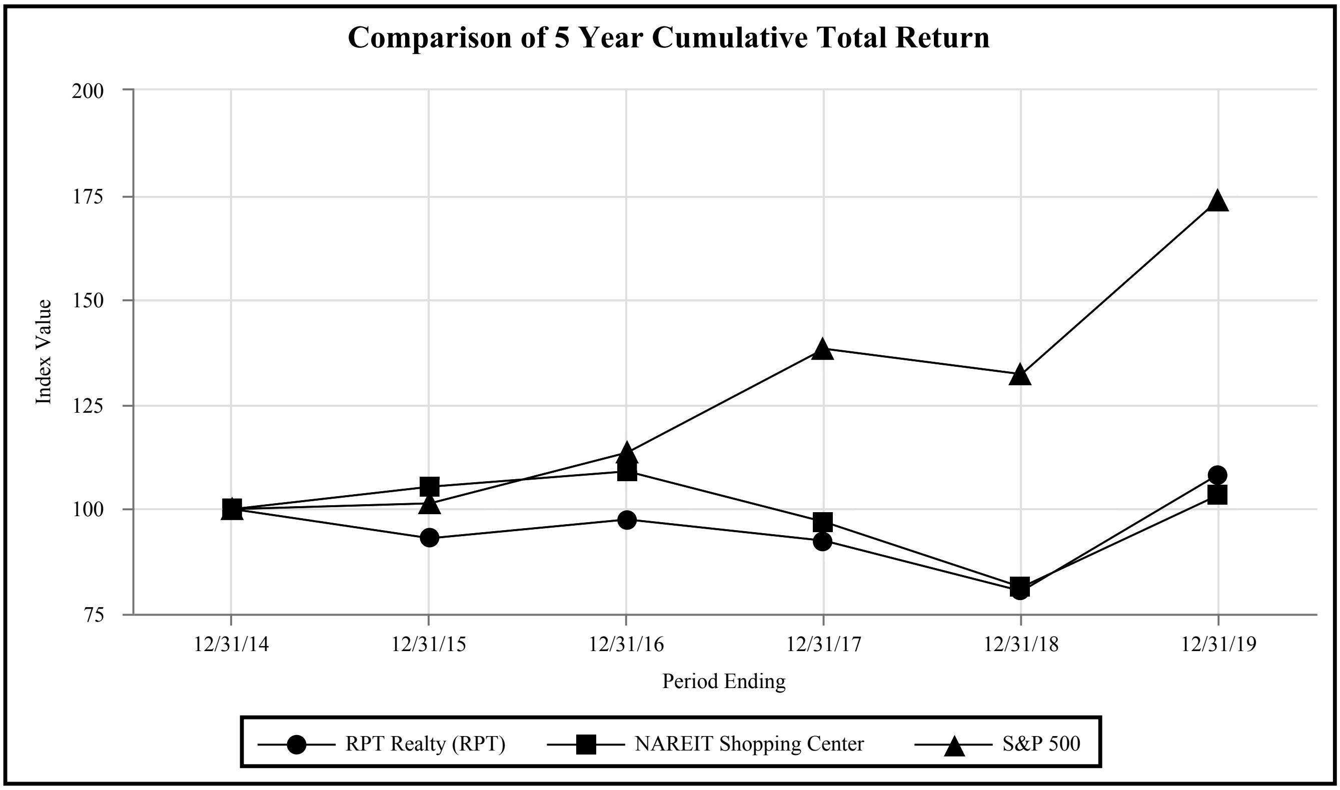
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common shares are currently listed and traded on the NYSE under the symbol "RPT". On February 14, 2020, the closing price of our common shares on the NYSE was $14.70.

Shareholder Return Performance Graph

The following line graph sets forth the cumulative total return on a $100 investment (assuming the reinvestment of dividends) in each of our common shares, the NAREIT Equity Index and the S&P 500 Index for the period December 31, 2014 through December 31, 2019. The stock price performance shown is not necessarily indicative of future price performance. The data shown is based on the share prices or index values, as applicable, at the end of each month shown.



Holders

The number of holders of record of our common shares was 1,035 at February 14, 2020. A substantially greater number of holders are beneficial owners whose shares of record are held by banks, brokers and other financial institutions.

Dividends

Under the Code, a REIT must meet requirements, including a requirement that it distribute to its shareholders at least 90% of its REIT taxable income annually, excluding net capital gain. Distributions paid by us are at the discretion of our Board and depend on our actual net income available to common shareholders, cash flow, financial condition, capital requirements, the annual distribution requirements under REIT provisions of the Code, and such other factors as the Board deems relevant. We do not believe that the preferential rights available to the holders of our preferred shares or the financial covenants contained in our debt agreements had or will have an adverse effect on our ability to pay dividends in the normal course of business to our common shareholders or to distribute amounts necessary to maintain our qualification as a REIT. See "Dividends and Equity" under Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, included in this report.

For information on our equity compensation plans as of December 31, 2019, refer to Item 12 of Part III of this report and Note 15 of the notes to the consolidated financial statements included in this report for further information regarding our share-based compensation and other benefit plans.

Item 6. Selected Financial Data

The following table sets forth our selected consolidated financial data and should be read in conjunction with the consolidated financial statements and notes to the consolidated financial statements and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations included in this report.

	Year Ended December 31,				
	2019	2018	2017	2016	2015
	(In thousands, except per share)				
OPERATING DATA:					
Total revenue	$ 234,088	$ 260,622	$ 265,082	$ 260,930	$ 251,790
Operating income	54,022	52,260	63,399	70,908	65,497
Gain on sale of depreciable real estate	81,485	3,699	51,977	34,108	13,529
Gain on sale of land	371	295	787	1,673	4,041
Net income	93,686	18,036	70,719	61,112	66,895
Net (income) attributable to noncontrolling partner interest	(2,175)	(417)	(1,659)	(1,448)	(1,786)
Preferred share dividends	(6,701)	(6,701)	(6,701)	(6,701)	(6,838)
Net income available to common shareholders	84,810	10,918	62,359	52,963	57,771
Earnings per common share:					
Basic	$ 1.06	$ 0.13	$ 0.78	$ 0.66	$ 0.73
Diluted	1.04	0.13	0.78	0.66	0.73
Weighted average shares outstanding:					
Basic	79,802	79,592	79,344	79,236	78,848
Diluted	87,722	80,088	79,530	79,435	79,035
Cash dividends declared per RPT preferred share	$ 3.625	$ 3.625	$ 3.625	$ 3.625	$ 3.625
Cash dividends declared per RPT common share	$ 0.880	$ 0.880	$ 0.880	$ 0.860	$ 0.820
Cash distributions to RPT preferred shareholders	$ 6,701	$ 6,701	$ 6,701	$ 6,701	$ 6,977
Cash distributions to RPT common shareholders	$ 70,652	$ 70,458	$ 70,225	$ 67,710	$ 63,972
BALANCE SHEET DATA (at December 31):					
Investment in real estate (before accumulated depreciation)	$ 1,818,103	$ 2,025,773	$ 2,130,779	$ 2,132,670	$ 2,184,481
Total assets	1,918,559	1,928,440	2,030,394	2,061,498	2,136,082
Total notes payable, net	930,808	963,149	999,215	1,021,223	1,083,711
Total liabilities	1,070,304	1,096,897	1,145,225	1,172,900	1,234,709
Total RPT shareholders' equity	828,240	811,962	864,322	867,701	879,391
Noncontrolling interest	20,015	19,581	20,847	20,897	21,982
Total shareholders' equity	848,255	831,543	885,169	888,598	904,466
OTHER DATA:					
Net cash provided by operating activities	90,593	106,322	117,925	116,601	105,630
Net cash provided by (used in) investing activities	95,095	42,262	(16,675)	11,250	(154,333)
Net cash (used in) provided by financing activities	(115,858)	(116,753)	(103,085)	(128,477)	46,012

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

The following discussion should be read in conjunction with the consolidated financial statements, the notes thereto, and the comparative summary of selected financial data included in this report.

Overview

RPT Realty owns and operates a national portfolio of open-air shopping destinations principally located in top U.S. markets. The Company's shopping centers offer diverse, locally-curated consumer experiences that reflect the lifestyles of their surrounding communities and meet the modern expectations of the Company's retail partners. As of December 31, 2019, our property portfolio consisted of 49 shopping centers (including five shopping centers owned through R2G) representing 11.9 million square feet of GLA. As of December 31, 2019, the Company's pro-rata share of the aggregate portfolio was 94.7% leased.

Our goal is to be a dominant shopping center owner, with a focus on the following:

- Own and manage high quality open-air shopping centers predominantly concentrated in the top U.S. MSAs;
- Curate our real estate to maximize its value while being aligned with the future of the shopping center industry by leveraging technology, optimizing distribution points for brick-and-mortar and e-commerce purchases, engaging in best-in-practice sustainability programs and developing a personalized appeal to attract and engage the next generation of shoppers;
- Maintain value creation redevelopment and expansion pipeline;
- Maximize balance sheet liquidity and flexibility; and
- Retain motivated, talented and high performing employees.

Key methods to achieve our strategy:

- Deliver above average relative shareholder return and generate outsized consistent and sustainable Same Property NOI and Operating FFO per share growth;
- Pursue selective redevelopment projects with significant pre-leasing for which we expect to achieve attractive returns on investment;
- Sell assets that no longer meet our long-term strategy and redeploy the proceeds to lease, redevelop and acquire assets in our core and target markets;
- Achieve lower leverage while maintaining low variable interest rate risk; and
- Retain access to diverse sources of capital, maintain liquidity through borrowing capacity under our unsecured line of credit and minimize the amount of debt maturities in a single year.

The following highlights the Company's significant transactions, events and results that occurred during the year ended December 31, 2019:

Financial Results:

- Net income available to common shareholders was $84.8 million, or $1.04 per diluted share, for the year ended December 31, 2019, as compared to $10.9 million, or $0.13 per diluted share, for the same period in 2018.
- FFO was $88.0 million, or $1.00 per diluted share, for the year ended December 31, 2019, as compared to $109.4 million, or $1.23 per diluted share, for the same period in 2018.
- Operating FFO was $94.5 million, or $1.08 per diluted share, for the year ended December 31, 2019, as compared to $120.1 million, or $1.35 per diluted share, for the same period in 2018.
- Same property net operating income increased 4.1% for the year ended December 31, 2019, as compared to the same period in 2018.
- Executed 210 new leases and renewals, totaling approximately 1.2 million square feet in the aggregate portfolio.

- As of December 31, 2019, the Company's aggregate portfolio leased rate was 94.7%, as compared to 94.3% at December 31, 2018.

Acquisition Activity (See Note 4 of the notes to consolidated financial statements in this report):

- Acquired one operating property for a purchase price of $33.9 million.

Disposition Activity (See Note 4 of the notes to consolidated financial statements in this report):

- Disposed of two operating properties and one land outparcel for aggregate gross proceeds of $69.4 million. These transactions resulted in an aggregate gain on sale of real estate of $6.1 million.
- Contributed five properties valued at $244.0 million to a newly formed joint venture with GIC referred to herein as R2G Venture LLC ("R2G"), and received $118.3 million in gross proceeds for the 48.5% stake in R2G that was acquired by GIC. This transaction resulted in a gain on sale of real estate of $75.8 million.

Critical Accounting Policies

Management's Discussion and Analysis of Financial Condition and Results of Operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Our estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies require our most subjective judgment and use of estimates in the preparation of our consolidated financial statements.

Revenue Recognition and Accounts Receivable

Most of our leases contain non-contingent rent escalations for which we recognize income on a straight-line basis over the non-cancelable lease term. This method results in rental income in the early years of a lease being higher than actual cash received, creating a straight-line rent receivable asset which is included in the "Other Assets" line item in our consolidated balance sheets. We review our unbilled straight-line rent receivable balance to determine the future collectability of revenue that will not be billed to or collected from tenants due to early lease terminations, lease modifications, bankruptcies and other factors. Our evaluation is based on our assessment of tenant credit risk changes indicating that expected future straight-line rent may not be realized. Depending on circumstances, we may provide a reserve against the previously recognized straight-line rent receivable asset for a portion, up to its full value, that we estimate may not be received.

Additionally, we monitor the collectability of our accounts receivable from specific tenants on an ongoing basis, analyze historical experience, customer creditworthiness, current economic trends and changes in tenant payment terms when evaluating the likelihood of tenant payment. For operating leases in which collectibility of rental income is not considered probable, rental income is recognized on a cash basis and allowances are taken for those balances that we have reason to believe may be uncollectible in the period it is determined not to be probable of collection.

For more information refer to Note 1 of the notes to the consolidated financial statements in this report.

Acquisitions

Acquisitions of properties are accounted for utilizing the acquisition method (which requires all assets acquired and liabilities assumed be measured at acquisition date fair value) and, accordingly, the results of operations of an acquired property are included in our results of operations from the date of acquisition. Estimates of fair values are based upon future cash flows and other valuation techniques in accordance with our fair value measurements policy, which are used to allocate the purchase price of acquired property among land, buildings on an "as if vacant" basis, tenant improvements, identifiable intangibles and any gain on purchase. Identifiable intangible assets and liabilities include the effect of above-and below-market leases, the value of having leases in place ("as-is" versus "as if vacant" and absorption costs), other intangible assets such as assumed tax increment revenue bonds and out-of-market assumed mortgages. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of 40 years for buildings, and over the remaining terms of any intangible asset contracts and the respective tenant leases, which may include bargain renewal options. The impact of these estimates, including estimates in connection with acquisition values and estimated useful lives, could result in significant differences related to the purchased assets, liabilities and subsequent depreciation or amortization expense. For more information, refer to Note 1 of the notes to the consolidated financial statements in this report.

Impairment

We review our investment in real estate, including any related intangible assets, for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of the property may not be recoverable. These changes in circumstances include, but are not limited to, changes in occupancy, rental rates, tenant sales, net operating income, geographic location, real estate values and expected holding period. The viability of all projects under construction or development, including those owned by unconsolidated joint ventures, is regularly evaluated under applicable accounting requirements, including requirements relating to abandonment of assets or changes in use. To the extent a project or an individual component of the project, is no longer considered to have value, the related capitalized costs are charged against operations.

Impairment provisions resulting from any event or change in circumstances, including changes in our intentions or our analysis of varying scenarios, could be material to our consolidated financial statements.

We recognize an impairment of an investment in real estate when the estimated undiscounted cash flow are less than the net carrying value of the property. If it is determined that an investment in real estate is impaired, then the carrying value is reduced to the estimated fair value as determined by cash flow models and discount rates or comparable sales in accordance with our fair value measurement policy. Refer to Note 1 of the notes to the consolidated financial statements in this report.

Results of Operations

Comparison of the Year Ended December 31, 2019 to the Year Ended December 31, 2018

The following summarizes certain line items from our audited statements of operations which we believe are important in understanding our operations and/or those items that have significantly changed during the year ended December 31, 2019 as compared to 2018:

	Year Ended December 31,			
	2019	**2018**	**Dollar Change**	**Percent Change**
		(In thousands)		
Total revenue	$ 234,088	$ 260,622	$ (26,534)	(10.2)%
Real estate taxes	35,961	42,306	(6,345)	(15.0)%
Recoverable operating expenses	25,256	26,177	(921)	(3.5)%
Non-recoverable operating expense	10,292	7,286	3,006	41.3 %
Depreciation and amortization	78,647	87,327	(8,680)	(9.9)%
Acquisition costs	—	233	(233)	NM
General and administrative expense	27,634	31,383	(3,749)	(11.9)%
Provision for impairment	—	13,650	(13,650)	NM
Insured expenses, net	2,276	—	2,276	NM
Gain on sale of real estate	81,856	3,994	77,862	NM
Earnings from unconsolidated joint ventures	581	589	(8)	(1.4)%
Interest expense	40,057	43,439	(3,382)	(7.8)%
Other gain on unconsolidated joint ventures	237	5,208	(4,971)	(95.4)%
Loss on extinguishment of debt	(2,571)	(134)	(2,437)	NM

NM - Not meaningful

Total revenue in 2019 decreased $26.5 million, or (10.2)%, from 2018. The decrease is primarily due to the following:

- $28.6 million decrease related to properties sold in 2019 and 2018;
- $5.2 million decrease from acceleration of a below market lease in the prior period attributable to a specific tenant who vacated prior to the original lease termination date; primarily offset by a
- $3.3 million increase from acceleration of below market leases in the current period attributable to tenants who vacated prior to the original estimated lease termination date; and a
- $3.8 million increase related to our existing centers largely attributable to higher minimum rent primarily from occupancy gains, contractual rent increases and lease renewals and higher recovery income mainly as a result of an increase in recoverable expenses at existing centers.

Real estate tax expense in 2019 decreased by $6.3 million, or (15.0)%, from 2018 primarily due to properties sold during 2019 and 2018.

Recoverable operating expense in 2019 decreased by $0.9 million, or (3.5)%, from 2018 primarily due to properties sold during 2019 and 2018, partially offset by higher common area maintenance expenses at existing properties.

Non-recoverable operating expense in 2019 increased by $3.0 million, or 41.3%, from 2018 primarily due to higher internal leasing costs as a result of the adoption of ASC 842 which eliminated the capitalization of these costs in the current year as well as higher legal fees associated with a tenant dispute, partially offset by properties sold during 2019 and 2018.

Depreciation and amortization expense in 2019 decreased by $8.7 million, or (9.9)%, from 2018. The decrease is primarily a result of properties sold during 2019 and 2018.

During 2018 we recorded acquisition costs of $0.2 million related to legal and professional fees associated with a potential shopping center acquisition that was not ultimately pursued during the prior year.

General and administrative expense in 2019 decreased by $3.7 million, or (11.9)%, from 2018. The net decrease is primarily a result of lower severance and management reorganization expense, which includes severance costs associated with former executives as well as sign-on bonuses and recruiting fees attributable to the new executive team, partially offset by an increase in bonus expense and higher share-based compensation expense.

During 2018 we recorded an impairment provision totaling $13.7 million, of which $13.5 million was on shopping centers classified as income producing and $0.2 million on land held for development. The adjustments related to shopping centers were triggered by changes in associated market prices and expected hold period assumptions, as well as a purchase price reduction at one property. The provision related to land held for development was triggered by changes in the expected use of the land and higher costs. Refer to Note 1 of the notes to the consolidated financial statements in this report for further information related to impairment provisions. We did not record any impairments in 2019.

During 2019 the Company wrote off real estate assets that were damaged by a hail storm at one property, which resulted in a charge of $2.3 million, net of $3.5 million of insurance proceeds received as of December 31, 2019. The damage incurred will be fully covered by insurance.

Gain on sale of real estate was $81.9 million in 2019. In the comparable period in 2018 we had a gain on sale of real estate of $4.0 million. The increase is primarily a result of properties sold during 2019. Refer to Note 4 of the notes to the consolidated financial statements in this report for further detail on dispositions.

Earnings from unconsolidated joint ventures in 2019 remained flat from 2018.

Interest expense in 2019 decreased by $3.4 million, or (7.8)%, from 2018. The decrease is primarily a result of a 9.2% decrease in our average outstanding debt, partially offset by lower capitalized interest. The decline in our average outstanding debt is the result of using proceeds from asset sales in the fourth quarter of 2018 and first quarter of 2019 to paydown our revolving credit line and redeem our junior subordinated notes.

Other gain on unconsolidated joint ventures in 2019 decreased by $5.0 million primarily due to the sale of the Martin Square property by our joint venture, Ramco/Lion Venture LP, in the prior period. The gain represents the difference between our share of the distributed proceeds and the carrying value of our equity investment in such joint venture.

During 2019 we recorded loss on extinguishment of debt of $2.6 million, which represented the write-off of unamortized deferred financing costs associated with the junior subordinated notes that were redeemed in full in April 2019 and term loans that were repaid in November 2019, as well as deferred financing costs and a prepayment penalty associated with our senior unsecured notes that were repaid in December 2019.

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

The following summarizes certain line items from our audited statements of operations which we believe are important in understanding our operations and/or those items which have significantly changed during the year ended December 31, 2018 as compared to 2017:

	Year Ended December 31,			
	2018	2017	Dollar Change	Percent Change
	(In thousands)			
Total revenue	$ 260,622	$ 265,082	$ (4,460)	(1.7)%
Real estate taxes	42,306	42,683	(377)	(0.9)%
Recoverable operating expenses	26,177	27,653	(1,476)	(5.3)%
Non-recoverable operating expenses	7,286	8,044	(758)	(9.4)%
Depreciation and amortization	87,327	91,335	(4,008)	(4.4)%
Acquisition costs	233	—	233	NM
General and administrative expense	31,383	22,564	8,819	39.1 %
Provision for impairment	13,650	9,404	4,246	45.2 %
Gain on sale of real estate	3,994	52,764	(48,770)	(92.4)%
Earnings from unconsolidated joint ventures	589	273	316	115.8 %
Interest expense	43,439	44,866	(1,427)	(3.2)%
Other gain on unconsolidated joint ventures	5,208	—	5,208	NM

NM - Not meaningful

Total revenue in 2018 decreased by $4.5 million, or (1.7)%, from 2017. The decrease is primarily due to the following:

- $20.1 million increase related to acquisitions completed in 2018 and 2017; offset by
- $7.7 million increase related to our existing centers largely attributable to changes in estimates associated with recoveries of common areas maintenance and real estate taxes, and higher minimum rent;
- $5.2 million increase from acceleration of a below market lease attributable to a specific tenant who vacated prior to the original estimated lease termination date; and
- $2.7 million increase related to properties acquired in 2017 and a leasehold interest acquired in 2018.

Real estate tax expense in 2018 decreased by $0.4 million, or (0.9)%, from 2017 primarily due to properties sold during 2018 and 2017, partially offset by properties acquired in 2017 and higher net expense; specifically at two properties as a result of a change in estimates.

Recoverable operating expense in 2018 decreased by $1.5 million, or (5.3)%, from 2017 primarily due to properties sold during 2018 and 2017, partially offset by additional expense from properties acquired in 2017.

Non-recoverable operating expense in 2018 decreased by $0.8 million, or (9.4)%, from 2017 primarily due to a decrease in certain property related compensation, benefits, and travel expenses.

Depreciation and amortization expense in 2018 decreased by $4.0 million, or (4.4)%, from 2017. The decrease is primarily a result of properties sold during 2018 and 2017, partially offset by higher asset write offs in 2018 for tenant lease terminations prior to their original estimated term, and higher depreciation expense from acquisitions completed in 2017.

During 2018 we recorded acquisition costs of $0.2 million related to legal and professional fees associated with a potential shopping center acquisition that was not ultimately pursued during the year.

General and administrative expense in 2018 increased $8.8 million, or 39.1%, from 2017. The increase was primarily due to the following:

- $9.7 million of executive management reorganization expenses, which included severance costs associated with former executives as well as executive recruiting fees, sign-on bonuses and relocation fees associated with our new executive team;
- $0.8 million of severance costs resulting from the reduction-in-force associated with the reorganization of the Company's operating structure; offset by
- $0.8 million decrease in service-based and performance-based stock compensation expense; and
- $0.5 million decrease in other severance costs.

During 2018 we recorded an impairment provision totaling $13.7 million, of which $13.5 million was on shopping centers classified as income producing and $0.2 million on land held for development. The adjustments related to shopping centers were triggered by changes in associated market prices and expected hold period assumptions, as well as a purchase price reduction at one property. The provision related to land held for development was triggered by changes in the expected use of the land and higher costs. During 2017 we recorded an impairment provision totaling $9.4 million, of which $8.4 million was on shopping centers classified as income producing and $1.0 million on land held for development. The adjustments were triggered by changes in associated sales price assumptions, a purchase price reduction at one property and changes in the expected use of land. Refer to Note 1 of the notes to the consolidated financial statements included in this report for further information related to impairment provisions.

Gain on sale of real estate was $4.0 million in 2018. In the comparable period in 2017 we had a gain of $52.8 million. The increase is primarily a result of properties sold during 2018. Refer to Note 4 of the notes to the consolidated financial statements in this report for further detail on dispositions.

Earnings from unconsolidated joint ventures in 2018 increased $0.3 million from 2017. The increase was primarily due to our portion of the gain on sale of the Martin Square property which was disposed of by our joint venture, Ramco/Lion Venture LP, during the year compared to no dispositions by any of our unconsolidated joint ventures in the comparable period.

Interest expense in 2018 decreased by $1.4 million, or (3.2)%, from 2017. The decrease is primarily a result of an 8.0% decrease in our average outstanding debt, offset partially by a 45 basis point increase in our weighted average interest rate. The decline in our average outstanding debt is primarily a result of using proceeds from asset sales in the second half of 2017 to paydown our revolving credit line.

Other gain on unconsolidated joint ventures increased $5.2 million primarily due to the sale of the Martin Square property by our joint venture, Ramco/Lion Venture LP, during the year. The gain represents the difference between our share of the distributed proceeds and the carrying value of our equity investment in such joint venture.

Liquidity and Capital Resources

Our primary uses of capital include principal and interest payments on our outstanding indebtedness, ongoing capital expenditures such as leasing capital expenditures and building improvements, shareholder distributions, operating expenses of our business, debt maturities, acquisitions and discretionary capital expenditures such as targeted remerchandising, expansions, redevelopment and development. We generally strive to cover our principal and interest payments, operating expenses, shareholder distributions, and ongoing capital expenditures from cash flow from operations, although from time to time we have borrowed or sold assets to finance a portion of those uses. We believe the combination of cash flow from operations, cash balances, available borrowings under our unsecured revolving line of credit, issuance of long-term debt, property dispositions, and issuance of equity securities will provide adequate capital resources to fund all of our expected uses over at least the next 12 months. Although we believe that the combination of factors discussed above will provide sufficient liquidity, no such assurance can be given.

We believe our current capital structure provides us with the financial flexibility to fund our current capital needs. We intend to continue to enhance our financial and operational flexibility by extending the duration of our debt, laddering our debt maturities, expanding our unencumbered asset base and improving our leverage profile. In addition, we believe we have access to multiple forms of capital which includes unsecured corporate debt, secured mortgage debt, and preferred and common equity.

At December 31, 2019 and 2018, we had $114.6 million and $44.7 million, respectively, in cash and cash equivalents and restricted cash. Restricted cash generally consists of funds held in escrow by lenders to pay real estate taxes, insurance premiums and certain capital expenditures. As of December 31, 2019, we had no debt maturing in 2020 and we had $349.8 million available to be drawn on our $350.0 million unsecured revolving credit facility, subject to our compliance with certain covenants.

Our long-term liquidity needs consist primarily of funds necessary to pay indebtedness at maturity, potential acquisitions of properties, redevelopment of existing properties, the development of land and discretionary capital expenditures. We continually search for investment opportunities that may require additional capital and/or liquidity. We will continue to pursue the strategy of selling non-core properties or land that no longer meet our investment criteria or advance our business strategy. Our ability to obtain acceptable selling prices and satisfactory terms and financing will impact the timing of any future sales. We anticipate using net proceeds from the sale of properties or land to reduce outstanding debt and support current and future growth oriented initiatives. To the extent that asset sales are not sufficient to meet our long-term liquidity needs, we expect to meet such needs by raising debt or issuing equity.

We have on file with the SEC an automatic shelf registration statement relating to the offer and sale of an indeterminable amount of debt securities, preferred shares, common shares, depository shares, warrant and rights. From time to time, we may issue securities under this registration statement for working capital and other general corporate purposes.

The following is a summary of our cash flow activities:

	Year Ended December 31,		
	2019	**2018**	**2017**
		(In thousands)	
Cash provided by operating activities	$ 90,593	$ 106,322	$ 117,925
Cash provided by (used in) investing activities	95,095	42,262	(16,675)
Cash used in financing activities	(115,858)	(116,753)	(103,085)

Operating Activities

Net cash flow provided by operating activities decreased by $15.7 million in 2019 compared to 2018 primarily due to the following:

- Impact of shopping centers sold in 2018 and 2019; partially offset by
- Higher operating income at existing centers;
- Lower executive management and reorganization costs; and
- Reduction in interest expense.

Investing Activities

Net cash provided by investing activities was $95.1 million in 2019 compared to net cash provided by investing activities of $42.3 million in 2018. The $52.8 million change in net cash provided by investing activities was primarily due to:

- Net proceeds from the sale of real estate, including those completed by our joint ventures, increased $64.4 million; and
- Development and capital improvements decreased $21.3 million; partially offset by
- Acquisitions of real estate increased $27.6 million.

During 2019, we sold two shopping centers and one land parcel for aggregate net proceeds of $67.9 million. In addition, on December 10, 2019, we announced the formation of R2G. We contributed five properties valued at $244.0 million to R2G and received $118.3 million in gross proceeds ($117.3 million net) for the 48.5% stake in R2G that was acquired by GIC. In 2018 we sold six properties and three outparcels with aggregate net proceeds of $116.5 million. Refer to Note 4 of the notes to the consolidated financial statements in this report for additional information related to dispositions.

In 2019 we acquired one property, Lakehills Plaza in Austin, Texas for approximately $33.9 million. In 2018, we acquired the leasehold interest in a ground lease at our existing West Oaks shopping center for approximately $6.4 million.

Our development and capital improvements spend in 2019 decreased by $21.3 million compared to 2018. The decrease was primarily a result of lower discretionary capital expenditures such as targeted remerchandising, outlot and GLA expansion and redevelopments.

Financing Activities

Net cash used in financing activities decreased by $0.9 million compared to 2018 primarily because of:

- Redemption of all of our outstanding junior subordinated notes due 2038 for an aggregate purchase price of $28.6 million; and
- Payment in 2019 of deferred financing costs of $4.0 million related to the amendment and restatement of the credit agreement and a $50 million private placement of senior unsecured notes; partially offset by
- Net repayments in 2018 of $30.0 million on our unsecured revolving line of credit.

On November 6, 2019, the Operating Partnership entered into the credit agreement, which consists of an unsecured revolving credit facility of up to $350.0 million and term loan facilities of $310.0 million. A portion of the proceeds from the credit agreement were used to repay our $75.0 million term loan due 2020 and our $75.0 million term loan due 2021 for an aggregate amount of $150.0 million. Also on November 6, 2019, we repaid $100.0 million which constituted repayment in full of the Operating Partnership's $50.0 million 4.16% senior unsecured notes due 2024 and its $50.0 million 4.30% senior unsecured notes due 2026, each issued pursuant to the note purchase agreement dated September 8, 2014, as amended.

On December 27, 2019, we entered into a note purchase agreement with the institutional investors named therein and closed a private placement of the Operating Partnership's $50.0 million aggregate principal amount of 4.15% Senior Guaranteed Notes due December 27, 2029 pursuant thereto. Such notes are unsecured and are guaranteed by the Company and certain subsidiaries of the Operating Partnership. A portion of the proceeds were used to repay $25.0 million aggregate principal amount of our 4.13% Series A Notes due 2022 for an aggregate amount of $26.4 million, which included a prepayment penalty of $1.4 million. A portion of the proceeds were also used to repay the 6.50% fixed rate mortgage loan encumbering West Oaks II and Spring Meadows Place, with an aggregate principal balance of $24.9 million.

As of December 31, 2019, $349.8 million was available to be drawn on our $350.0 million unsecured revolving credit facility, subject to our compliance with certain covenants. It is anticipated that additional funds borrowed under our unsecured revolving line of credit will be used for general corporate purposes, including working capital, capital expenditures, the repayment of indebtedness or other corporate activities. For further information on the unsecured revolving line of credit and other debt, refer to Note 8 of notes to the consolidated financial statements in this report.

Dividends and Equity

We currently qualify, and intend to continue to qualify in the future, as a REIT under the Code. As a REIT, we must distribute to our shareholders at least 90% of our REIT taxable income annually, excluding net capital gains. Distributions paid are at the discretion of our Board and depend on our actual net income available to common shareholders, cash flow, financial condition, capital requirements, restrictions in financing arrangements, the annual distribution requirements under REIT provisions of the Code and such other factors as our Board deems relevant.

We paid cash dividends of $0.88 per common share to shareholders in 2019 and 2018. Additionally, we paid cash dividends of $3.625 per share of our 7.25% Series D Cumulative Convertible Perpetual Preferred Shares of Beneficial Interest to preferred shareholders in 2019 and 2018. Our dividend policy is to make distributions to shareholders of at least 90% of our REIT taxable income, excluding net capital gains, in order to maintain qualification as a REIT. On an annualized basis, our current dividend is above our estimated minimum required distribution. Distributions paid by us are generally expected to be funded from cash flows from operating activities. To the extent that cash flows from operating activities are insufficient to pay total distributions for any period, alternative funding sources are used. Examples of alternative funding sources include proceeds from sales of real estate and bank borrowings. During 2019, the sum of our principal and interest payments, operating expenses, shareholder distributions and recurring capital expenditures exceeded our cash flow from operations by $16.7 million, and we used other sources of liquidity, including a portion of the proceeds from assets sales, to meet our cash requirements. The $16.7 million shortfall was primarily a result of selling non-core properties and using proceeds to strengthen the balance sheet and fund organic growth opportunities in the Company's core portfolio. At December 31, 2019, the Company's occupancy rate was 94.3%, up 260 basis points from 91.7% at December 31, 2018. We expect these investments to result in a continued increase in our cash flows from operating activities relative to our dividends, and by the end of 2021, we expect our cash flows from operating activities to exceed our dividends based on our current dividend rate.

We had an at-the-market equity program pursuant to which we could sell up to 8.0 million common shares from time to time, in our sole discretion. For the year ended December 31, 2019, we did not issue any common shares through the program. The sale of such common shares issuable pursuant to the program was registered with the SEC on our registration statement on Form S-3, which expired in June 2019.

Debt

At December 31, 2019, we had $932.6 million of debt outstanding consisting of $535.0 million in senior unsecured notes, $310.0 million of unsecured term loan facilities, and $87.6 million of fixed rate mortgage loans encumbering certain properties. We had no outstanding borrowings on our revolving credit facility as of December 31, 2019.

Our $845.0 million of senior unsecured notes and unsecured term loans have interest rates ranging from 2.66% to 4.74% and are due at various maturity dates from June 2021 through December 2029.

Our $87.6 million of fixed rate mortgages have interest rates ranging from 3.76% to 5.80% and are due at various maturity dates from February 2022 through June 2026. The fixed rate mortgage notes are secured by mortgages on properties that have an approximate net book value of $151.4 million as of December 31, 2019.

In addition, we had interest rate swap derivative instruments in effect for an aggregate notional amount of $360.0 million converting a portion of our floating rate corporate debt to fixed rate debt, including forward starting swaps totaling $150.0 million. After taking into account the impact of converting our variable rate debt to fixed rate debt by use of the interest rate swap agreements, at December 31, 2019, we had $100.0 million of variable rate debt outstanding.

Off Balance Sheet Arrangements

Real Estate Joint Ventures

We consolidate entities in which we own less than 100% equity interest if we have a controlling interest or are the primary beneficiary in a variable interest entity, as defined in the Consolidation Topic of FASB ASC 810. From time to time, we enter into joint venture arrangements from which we believe we can benefit by owning a partial interest in one or more properties.

As of December 31, 2019, our investments in unconsolidated joint ventures were approximately $130.3 million representing our ownership interest in four joint ventures. We accounted for these entities under the equity method. Refer to Note 6 of the notes to the consolidated financial statements in this report for further information regarding our equity investments in unconsolidated joint ventures.

We are engaged by certain of our joint ventures to provide asset management, property management, construction management, leasing and investing services for such ventures' respective properties. We receive fees for our services, including a property management fee calculated as a percentage of gross revenues received.

Guarantee

A redevelopment agreement was entered into between the City of Jacksonville, the Jacksonville Economic Development Commission and the Company, to construct and develop River City Marketplace in 2005. As part of the agreement, the city agreed to finance up to $12.2 million of bonds. Repayment of the bonds is to be made in accordance with a level-payment amortization schedule over 20 years, and repayments are made out of tax revenues generated by the redevelopment. The remaining debt service payments due over the life of the bonds, including principal and interest, are $9.1 million. As part of the redevelopment, the Company executed a guaranty agreement whereby the Company would fund debt service payments if incremental revenues were not sufficient to fund repayment. There have been no payments made by the Company under this guaranty agreement to date.

Contractual Obligations

The following are our contractual cash obligations as of December 31, 2019:

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
			(In thousands)		
Mortgages and notes payable:					
Scheduled amortization	$ 9,573	$ 2,326	$ 4,785	$ 1,811	$ 651
Payments due at maturity	923,008	—	216,508	306,500	400,000
Total mortgages and notes payable [(1)]	932,581	2,326	221,293	308,311	400,651
Interest expense [(2)]	209,405	36,839	97,671	44,831	30,064
Finance lease [(3)]	1,300	100	300	200	700
Operating leases	100,592	1,456	4,447	1,974	92,715
Construction commitments	6,494	6,494	—	—	—
Development obligations [(4)]	2,842	431	611	382	1,418
Total contractual obligations	$ 1,253,214	$ 47,646	$ 324,322	$ 355,698	$ 525,548

(1) Excludes $2.0 million of unamortized mortgage debt premium and $3.8 million in deferred financing costs.
(2) Variable rate debt interest is calculated using rates at December 31, 2019.
(3) Includes interest payments associated with the finance lease obligation of $0.4 million.
(4) Includes interest payments associated with the development obligations of $0.6 million.

At December 31, 2019, we did not have any contractual obligations that required or allowed settlement, in whole or in part, with consideration other than cash.

Mortgages and Notes Payable

See the analysis of our debt included in “Liquidity and Capital Resources” above.

Operating and Finance Leases

We have an operating ground lease at Centennial Shops located in Edina, Minnesota. The lease includes rent escalations throughout the lease period and expires in April 2105.

We have an operating lease for our 5,629 square foot corporate office in New York, New York, and an operating lease for our 12,572 square foot office in Southfield, Michigan. These leases are set to expire in January 2024 and December 2024, respectively. Our New York, New York corporate office lease includes an additional five year renewal to extend the lease through January 2029 and our Southfield, Michigan office lease includes two additional five year renewal options to extend the lease through December 2034.

We also have a ground finance lease at our Buttermilk Towne Center with the City of Crescent Springs, Kentucky. The lease provides for fixed annual payments of $0.1 million through maturity in December 2032, at which time we can acquire the land for one dollar.

Construction Costs

In connection with the development and expansion of various shopping centers as of December 31, 2019, we have entered into agreements for construction activities with an aggregate cost of approximately $6.5 million.

Planned Capital Spending

We are focused on enhancing the value of our existing portfolio of shopping centers through successful leasing efforts, including the reconfiguration of anchor-space and small shop lease-up, and the completion of our redevelopment projects currently in process.

For 2020, we anticipate spending between $40.0 million and $50.0 million for capital expenditures, of which $6.5 million is reflected in the construction commitments in the above contractual obligations table. The total anticipated spending relates to leasing costs, building improvements, targeted remerchandising, outlots/expansion, and development/redevelopment. Estimates for future spending will change as new projects are approved.

Capitalization

At December 31, 2019 and 2018, our total market capitalization was $2.2 billion and $2.0 billion, respectively, and is detailed below:

	December 31,	
	2019	2018
	(In thousands)	
Notes payable, net	$ 930,808	$ 963,149
Unamortized premiums and deferred financing costs	1,773	110
Finance lease obligation	926	975
Cash, cash equivalents and restricted cash	(114,552)	(44,722)
Pro-rata share of unconsolidated entities cash, cash equivalents and restricted cash	(1,120)	—
Net debt	$ 817,835	$ 919,512
Common shares outstanding	79,850	79,734
OP Units outstanding	1,909	1,909
Restricted share awards (treasury method)	995	763
Total common shares and equivalents	82,754	82,406
Market price per common share	$ 15.04	$ 11.95
Equity market capitalization	$ 1,244,620	$ 984,752
7.25% Series D Cumulative Convertible Perpetual Preferred Shares	1,849	1,849
Market price per convertible preferred share	$ 59.86	$ 49.45
Convertible perpetual preferred shares (at market)	$ 110,681	$ 91,433
Total market capitalization	$ 2,173,136	$ 1,995,697
Net debt to total market capitalization	37.6 %	46.1 %

At December 31, 2019, noncontrolling interests represented a 2.3% ownership in the Operating Partnership. The OP Units may, under certain circumstances, be exchanged for our common shares on a one-for-one basis. We, as sole general partner of the Operating Partnership, have the option, but not the obligation, to settle exchanged OP Units held by others in cash. Assuming the exchange of all OP Units, there would have been approximately 81.8 million of our common shares outstanding at December 31, 2019, with a market value of approximately $1.2 billion.

Non-GAAP Financial Measures

Certain of our key performance indicators are considered non-GAAP financial measures. Management uses these measures along with our GAAP financial statements in order to evaluate our operations results. We believe these additional measures provide additional and useful means to assess our performance. However, these measures do not represent alternatives to GAAP measures as indicators of performance and a comparison of the Company's presentations to similarly titled measures of other REITs may not necessarily be meaningful due to possible differences in definitions and application by such REITs.

Funds From Operations

We consider funds from operations, also known as “FFO,” to be an appropriate supplemental measure of the financial performance of an equity REIT. The National Association of Real Estate Investment Trusts (“NAREIT”) is an industry body public REITs participate in and provides guidance to its members. Under the NAREIT definition, FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable property and impairment provisions on depreciable real estate or on investments in non-consolidated investees that are driven by measurable decreases in the fair value of depreciable real estate held by the investee, plus depreciation and amortization, (excluding amortization of financing costs). Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect funds from operations on the same basis. We have adopted the NAREIT definition in our computation of FFO.

In addition to FFO, we include Operating FFO as an additional measure of our financial and operating performance. Operating FFO excludes acquisition costs and periodic items such as gains (or losses) from sales of land and impairment provisions on land, bargain purchase gains, severance expense, executive management reorganization costs, net, accelerated amortization of debt premiums, gains or losses on extinguishment of debt, and insured expenses, net and R2G Venture LLC related costs that are not adjusted under the current NAREIT definition of FFO. We provide a reconciliation of FFO to Operating FFO. FFO and Operating FFO should not be considered alternatives to GAAP net income available to common shareholders or as alternatives to cash flow as measures of liquidity.

While we consider FFO and Operating FFO useful measures for reviewing our comparative operating and financial performance between periods or to compare our performance to different REITs, our computations of FFO and Operating FFO may differ from the computations utilized by other real estate companies, and therefore, may not be comparable.

We recognize the limitations of FFO and Operating FFO when compared to GAAP net income available to common shareholders. FFO and Operating FFO do not represent amounts available for needed capital replacement or expansion, debt service obligations, or other commitments and uncertainties. In addition, FFO and Operating FFO do not represent cash generated from operating activities in accordance with GAAP and are not necessarily indicative of cash available to fund cash needs, including the payment of dividends. The following table illustrates the calculations of FFO and Operating FFO:

	Years Ended December 31,		
	2019	2018	2017
	(In thousands, except per share data)		
Net income	$ 93,686	$ 18,036	$ 70,719
Net (income) attributable to noncontrolling partner interest	(2,175)	(417)	(1,659)
Preferred share dividends	(6,701)	(6,701)	(6,701)
Net income available to common shareholders	84,810	10,918	62,359
Adjustments:			
Rental property depreciation and amortization expense	78,095	86,970	91,097
Pro-rata share of real estate depreciation from unconsolidated joint ventures	459	191	302
Gain on sale of depreciable real estate	(81,485)	(3,699)	(51,977)
Gain on sale of joint venture depreciable real estate	(385)	(307)	—
Provision for impairment on income-producing properties	—	13,434	8,422
Other gain on unconsolidated joint ventures	(237)	(5,208)	—
FFO available to common shareholders	81,257	102,299	110,203
Noncontrolling interest in Operating Partnership [(1)]	—	417	1,659
Preferred share dividends (assuming conversion) [(2)]	6,701	6,701	6,701
FFO available to common shareholders and dilutive securities	$ 87,958	$ 109,417	$ 118,563
Gain on sale of land	(371)	(295)	(787)
Provision for impairment on land	—	216	982
Loss on extinguishment of debt	2,571	134	—
Insured expenses, net	2,276	—	—
Accelerated amortization of debt premium	—	—	110
Severance expense [(3)]	130	1,117	715
Executive management reorganization, net [(3)(4)]	1,402	9,673	—
R2G Venture LLC related costs [(3)(5)]	499	—	—
Acquisition costs	—	233	—
Other gain	—	(398)	—
Operating FFO available to common shareholders and dilutive securities	$ 94,465	$ 120,097	$ 119,583
Weighted average common shares	79,802	79,592	79,344
Shares issuable upon conversion of OP Units [(1)]	—	1,912	1,917
Dilutive effect of restricted stock	939	496	186
Shares issuable upon conversion of preferred shares [(2)]	6,981	6,858	6,740
Weighted average equivalent shares outstanding, diluted	87,722	88,858	88,187
Diluted earnings per share	$ 1.04	$ 0.13	$ 0.78
Per share adjustments for FFO available to common shareholders and dilutive securities	(0.04)	1.10	0.56
FFO available to common shareholders and dilutive securities per share, diluted	$ 1.00	$ 1.23	$ 1.34
Per share adjustments for Operating FFO available to common shareholders and dilutive securities	0.08	0.12	0.02
Operating FFO available to common shareholders and dilutive securities per share, diluted	$ 1.08	$ 1.35	$ 1.36

(1) The total noncontrolling interest reflects OP Units convertible on a one-for-one basis into common shares. The Company's net income for the year ended December 31, 2019 (largely driven by gain on sale of real estate), resulted in an income allocation to OP Units which drove an OP Unit ratio of $1.14 (based on 1,909 weighted average OP Units outstanding) as of December 31, 2019. In instances when the OP Unit ratio exceeds basic FFO, the OP Units are considered anti-dilutive, and as a result are not included in the calculation of fully diluted FFO and Operating FFO for the year ended December 31, 2019.

(2) 7.25% Series D Cumulative Convertible Perpetual Preferred Shares of Beneficial Interest, $0.01 par value per share paid annual dividends of $6.7 million and are currently convertible into approximately 7.0 million common shares. They are dilutive only when earnings or FFO exceed approximately $0.96 per diluted share per year. The conversion ratio is subject to adjustment based upon a number of factors, and such adjustment could affect the dilutive impact of the Series D convertible preferred shares on FFO and earnings per share in future periods.

(3) Amounts noted are included in General and administrative expense.

(4) For 2019, largely comprised of severance to a former executive officer and performance award expense related to the Company's former Chief Executive Officer. For 2018, includes severance, accelerated vesting of restricted stock and performance award charges and the benefit from the forfeiture of unvested restricted stock and performance awards associated with our former executives, in addition to recruiting fees, relocation expenses and cash inducement bonuses related to the Company's current executive team.

(5) For 2019, comprised of special incentive expense related to the execution of the R2G Venture LLC joint venture agreement.

NOI, Same Property NOI and NOI from Other Investments

NOI consists of (i) rental income and other property income, before straight-line rental income, amortization of lease inducements, amortization of acquired above and below market lease intangibles and lease termination fees less (ii) real estate taxes and all recoverable and non-recoverable operating expenses other than straight-line ground rent expense, in each case, including our share of these items from our R2G Venture LLC unconsolidated joint venture.

NOI, Same Property NOI and NOI from Other Investments are supplemental non-GAAP financial measures of real estate companies' operating performance. Same Property NOI is considered by management to be a relevant performance measure of our operations because it includes only the NOI of comparable operating properties for the reporting period. Same Property NOI for the three and twelve months ended December 31, 2019 and 2018 represents NOI from the Company's same property portfolio consisting of 41 consolidated operating properties acquired or placed in service and stabilized prior to January 1, 2018 and five previously consolidated properties contributed to the newly formed joint venture, R2G Venture LLC, in December 2019. Same property NOI from these five properties includes 51.5% of their NOI as a consolidated property for the period January 1, 2018 through December 9, 2019 and 51.5% of their NOI as an unconsolidated property accounted for under the equity method for the period December 10, 2019 through December 31, 2019. Same Property NOI excludes properties under redevelopment or where activities have started in preparation for redevelopment. A property is designated as a redevelopment when planned improvements significantly impact the property. NOI from Other Investments for the three and twelve months ended December 31, 2019 and 2018 represents NOI primarily from (i) properties disposed of and acquired during 2018 and 2019, (ii) 48.5% of the NOI prior to December 10, 2019 from the five previously consolidated properties contributed to the R2G Venture LLC unconsolidated joint venture, (iii) Webster Place and Rivertowne Square where the Company has begun activities in anticipation of future redevelopment, (iv) certain property related employee compensation, benefits, and travel expense and (v) non-comparable operating income and expense adjustments.

Same Property NOI and NOI from Other Investments should not be considered alternatives to net income in accordance with GAAP or as measures of liquidity. Our method of calculating these measures may differ from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

The following is a summary of our owned properties for the periods noted with consistent classification in the prior period for presentation of Same Property NOI:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
Property Designation	**2019**	**2018**	**2019**	**2018**
Same-property	46	46	46	46
Acquisitions [1]	1	—	1	—
Redevelopment [2]	2	2	2	2
Total properties	49	48	49	48

[1] Includes the following property for the three and twelve months ended December 31, 2019: Lakehills Plaza.

[2] Includes the following properties for the three months and twelve months ended December 31, 2019 and 2018: Rivertowne Square and Webster Place. The entire property indicated for each period is completely excluded from the Same Property NOI.

The following is a reconciliation of our Operating Income to Same Property NOI at Pro-Rata:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
	(in thousands)			
Net income (loss) available to common shareholders	$ 71,055	$ (5,769)	$ 84,810	$ 10,918
Preferred share dividends	1,675	1,675	6,701	6,701
Net income (loss) attributable to noncontrolling partner interest	1,727	(97)	2,175	417
Income tax provision	97	51	179	198
Interest expense	9,707	11,085	40,057	43,439
Costs associated with early extinguishment of debt	1,949	134	2,571	134
Earnings from unconsolidated joint ventures	(128)	(19)	(581)	(589)
Gain on sale of real estate	(75,783)	(3,813)	(81,856)	(3,994)
Gain on remeasurement of unconsolidated joint venture	—	—	(237)	(5,208)
Insured expenses, net	2,276	—	2,276	—
Other (income) expense, net	(24)	189	203	244
Management and other fee income	(52)	(32)	(230)	(254)
Depreciation and amortization	18,782	21,608	78,647	87,327
Acquisition costs	—	—	—	233
General and administrative expenses	8,789	5,851	27,634	31,383
Provision for impairment	—	13,434	—	13,650
Pro-rata share of NOI from unconsolidated joint venture [(1)]	521	—	521	—
Lease termination fees	(409)	(53)	(743)	(161)
Amortization of lease inducements	160	43	519	173
Amortization of acquired above and below market lease intangibles, net	(1,218)	(1,147)	(6,762)	(9,880)
Straight-line ground rent expense	76	76	306	306
Straight-line rental income	(459)	(602)	(2,408)	(2,892)
NOI at Pro-Rata [(2)]	38,741	42,614	153,782	172,145
NOI from Other Investments	(1,049)	(6,338)	(5,284)	(29,505)
Same Property NOI at Pro-Rata [(3)]	$ 37,692	$ 36,276	$ 148,498	$ 142,640

[(1)] Represents 51.5% of the NOI from the five properties contributed to R2G Venture LLC after December 9, 2019.
[(2)] Includes 100.0% of the NOI from the five properties contributed to R2G Venture LLC prior to December 10, 2019 and 51.5% of the NOI from the same five properties after December 9, 2019.
[(3)] Includes 51.5% of the NOI from the five properties contributed to R2G Venture LLC for all periods presented.

Inflation

Inflation has been relatively low in recent years and has not had a significant impact on the results of our operations. Should inflation rates increase in the future, substantially all of our tenant leases contain provisions designed to partially mitigate the negative impact of inflation in the near term. Such lease provisions include clauses that require our tenants to reimburse us for real estate taxes and many of the operating expenses we incur. Also, many of our leases provide for periodic increases in base rent which are either of a fixed amount or based on changes in the consumer price index and/or percentage rents (where the tenant pays us rent based on a percentage of its sales). Significant inflation rate increases over a prolonged period of time may have a material adverse impact on our business.

Recent Accounting Pronouncements

Refer to Note 2 of the notes to the consolidated financial statements in this report for a discussion of Recent Accounting Pronouncements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We have exposure to interest rate risk on our variable rate debt obligations. Based on market conditions, we may manage our exposure to interest rate risk by entering into interest rate swap agreements to hedge our variable rate debt. We are not subject to any foreign currency exchange rate risk or commodity price risk, or other material rate or price risks. Based on our debt and interest rates and interest rate swap agreements in effect at December 31, 2019, a 100 basis point change in interest rates would impact our future earnings and cash flows by approximately $1.0 million annually. We believe that a 100 basis point increase in interest rates would decrease the fair value of our total outstanding debt by approximately $31.6 million at December 31, 2019.

We had interest rate swap agreements with an aggregate notional amount of $360.0 million as of December 31, 2019. The agreements provided for fixed rates ranging from 1.31% to 2.15% and had expirations ranging from 2020 to 2027. The following table sets forth information as of December 31, 2019 concerning our long-term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates of maturing amounts and fair market value. Net debt premium and unamortized deferred financing costs of approximately $1.8 million are excluded:

	2020	2021	2022	2023	2024	Thereafter	Total	Fair Market Value
				(dollars in thousands)				
Fixed-rate debt	$ 2,326	$ 39,508	$ 52,397	$ 129,388	$ 75,879	$ 533,083	$ 832,581	$ 848,170
Weighted average interest rate	5.3 %	3.8 %	5.7 %	3.5 %	4.5 %	3.9 %	4.0 %	3.6 %
Variable-rate debt	$ —	$ —	$ —	$ —	$ 50,000	$ 50,000	$ 100,000	$ 100,000
Weighted average interest rate	— %	— %	— %	— %	2.9 %	3.3 %	3.1 %	3.1 %

We estimated the fair market value of our fixed rate mortgages using a discounted cash flow analysis, based on borrowing rates for similar types of borrowing arrangements with the same remaining maturity. Considerable judgment is required to develop estimated fair values of financial instruments. The table incorporates only those exposures that exist at December 31, 2019 and does not consider those exposures or positions which could arise after that date or firm commitments as of such date. Therefore, the information presented therein has limited predictive value. Our actual interest rate fluctuations will depend on the exposures that arise during the period and on market interest rates at that time.

In July 2017, the Financial Conduct Authority, the authority that regulates LIBOR, announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. The Alternative Reference Rates Committee (ARRC) has proposed that the Secured Overnight Financing Rate (SOFR) is the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. ARRC has proposed a paced market transition plan to SOFR from USD-LIBOR and organizations are currently working on industry wide and company specific transition plans as it relates to derivatives and cash markets exposed to USD-LIBOR. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or financing costs to borrowers. We have material contracts that are indexed to USD-LIBOR, and we are monitoring this activity and evaluating the related risks.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements and supplementary data are included as a separate section in this Annual Report on Form 10-K commencing on page F-1 and are incorporated herein by reference.

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

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our reports under the Exchange Act, such as this report on Form 10-K, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the design control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carried out an assessment as of December 31, 2019 of the effectiveness of the design and operation of our disclosure controls and procedures. This assessment was done under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based on such evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that such disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2019.

Statement of Our Management

Our management has issued a report on its assessment of the Company’s internal control over financial reporting, which appears on page F-2 of this Annual Report on Form 10-K.

Statement of Our Independent Registered Public Accounting Firm

Grant Thornton LLP, our independent registered public accounting firm that audited the financial statements in this Annual Report on Form 10-K, has issued an attestation report on the Company’s internal control over financial reporting, which appears on page F-3 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the fiscal quarter ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Incorporated by reference from our definitive proxy statement to be filed within 120 days after the end of our fiscal year covered by this Form 10-K.

Item 11. Executive Compensation

Incorporated by reference from our definitive proxy statement to be filed within 120 days after the end of our fiscal year covered by this Form 10-K.

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

Incorporated by reference from our definitive proxy statement to be filed within 120 days after the end of our fiscal year covered by this Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Incorporated by reference from our definitive proxy statement to be filed within 120 days after the end of our fiscal year covered by this Form 10-K.

Item 14. Principal Accountant Fees and Services

Incorporated by reference from our definitive proxy statement to be filed within 120 days after the end of our fiscal year covered by this Form 10-K.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(1) Consolidated financial statements. See "Item 8 – Financial Statements and Supplementary Data."

(2) Financial statement schedule. See "Item 8 – Financial Statements and Supplementary Data."

(3) Exhibits

3.1 Articles of Restatement of Declaration of Trust of the Company, effective June 8, 2010, incorporated by reference to Appendix A to the Company's 2010 Proxy dated April 30, 2010.

3.2 Amended and Restated Bylaws of the Company, effective November 13, 2018, incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated November 13, 2018.

3.3 Articles of Amendment, as filed with the State Department of Assessments and Taxation of Maryland on April 5, 2011, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 6, 2011.

3.4 Articles Supplementary, as filed with the State Department of Assessments and Taxation of Maryland on April 5, 2011, incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated April 6, 2011.

3.5 Articles Supplementary, as filed with the State Department of Assessments and Taxation of Maryland on April 28, 2011, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 28, 2011.

3.6 Articles of Amendment, as filed with the State Department of Assessments and Taxation of Maryland on September 21, 2012, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated September 21, 2012.

3.7 Articles of Amendment, as filed with the State Department of Assessments and Taxation of Maryland on July 31, 2013, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated July 31, 2013.

3.8 Articles of Amendment, as filed with the State Department of Assessments and Taxation of Maryland on November 9, 2018, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated November 13, 2018.

3.9 Amendment No. 1 to the Amended and Restated Bylaws of the Company, effective February 13, 2020, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated February 20, 2020.

4.1* Description of the Company's Securities Registered Pursuant to Section 12 of the Securities Exchange Act, as amended.

10.1 Registration Rights Agreement, dated May 10, 1996, among the Company, Dennis Gershenson, Joel Gershenson, Bruce Gershenson, Richard Gershenson, Michael A. Ward U/T/A dated 2/22/77, as amended, and each of the Persons set forth on Exhibit A attached thereto, incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1996.

10.2 Exchange Rights Agreement, dated May 10, 1996, among the Company and each of the Persons whose names are set forth on Exhibit A attached thereto, incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1996.

10.3 Amended and Restated Limited Partnership Agreement of Ramco/Lion Venture LP, dated as of December 29, 2004, by Ramco-Gershenson Properties, L.P., as a limited partner, Ramco Lion LLC, as a general partner, CLPF-Ramco, L.P., as a limited partner, and CLPF-Ramco GP, LLC as a general partner, incorporated by reference to Exhibit 10.62 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004.

10.4* Summary of Trustee Compensation Program.**

10.5 Ramco-Gershenson Properties Trust 2012 Omnibus Long-Term Incentive Plan, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated June 12, 2012.**

10.6	Change in Control Policy, dated May 14, 2013, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 16, 2013.
10.7	2019 Executive Incentive Plan, dated April 29, 2019, incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 30, 2019.**
10.8	$110 Million Note Purchase Agreement, by Ramco-Gershenson Properties, L.P. incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 2, 2013.
10.9	$100 Million Note Purchase Agreement, by Ramco-Gershenson Properties, L.P. dated May 28, 2014, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2014.
10.10	$100 Million Note Purchase Agreement, by Ramco-Gershenson Properties, L.P. dated September 30, 2015, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2015.
10.11	$75 Million Note Purchase Agreement, by Ramco-Gershenson Properties, L.P. dated August 19, 2016, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 7, 2016.
10.12	$75 Million Note Purchase Agreement, by Ramco-Gershenson Properties, L.P. dated December 21, 2017 incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 27, 2017.
10.13	Employment Agreement, dated April 4, 2018 between the Company and Brian Harper, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 12, 2018.**
10.14	Ramco-Gershenson Properties Trust Inducement Incentive Plan, incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 12, 2018.**
10.15	Employment Agreement, dated June 2, 2018 between the Company and Michael Fitzmaurice, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 15, 2018.**
10.16	Agreement Regarding Severance, dated April 27, 2018 between the Company and Catherine Clark, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2018.**
10.17	RPT Realty 2019 Omnibus Long-Term Incentive Plan, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated April 30, 2019.**
10.18	Employment Offer, dated June 25, 2018, between the Company and Timothy Collier, incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2019.**
10.19	Transition Agreement, dated June 26, 2019 between the Company and Catherine Clark, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2019.**
10.20	Employment Offer with Raymond Merk, dated July 9, 2019, incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2019.**
10.21	Fifth Amended and Restated Credit Agreement dated November 6, 2019 among RPT Realty, L.P., as Borrower, KeyBank National Association, as Administrative Agent, KeyBanc Capital Markets Inc., BMO Capital Markets, and Capital One, National Association, as Joint-Lead Arrangers, BMO Capital Markets, N.A., and Capital One, National Association, as Syndication Agents, certain lenders from time to time parties thereto, as Lenders, and RPT Realty and certain subsidiaries of RPT Realty, L.P., as a Guarantors, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 8, 2019.
21.1*	Subsidiaries.
23.1*	Consent of Grant Thornton LLP.
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (furnished herewith)
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (furnished herewith)
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*).

* Filed herewith
** Management contract or compensatory plan or arrangement

15(b) The exhibits listed at Item 15(a)(3) that are noted 'filed herewith' are hereby filed with this report.

15(c) The financial statement schedules listed at Item 15(a)(2) are hereby filed with this report.

Item 16. Form 10-K Summary.

Not Applicable.

SIGNATURES

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

		RPT Realty
Dated:	February 20, 2020	By: /s/ BRIAN L. HARPER Brian L. Harper President and Chief Executive Officer

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

Dated:	February 20, 2020	By: /s/ RICHARD L. FEDERICO Richard L. Federico Trustee
Dated:	February 20, 2020	By: /s/ ARTHUR H. GOLDBERG Arthur H. Goldberg Trustee
Dated:	February 20, 2020	By: /s/ BRIAN L. HARPER Brian L. Harper Trustee, President and Chief Executive Officer (Principal Executive Officer)
Dated:	February 20, 2020	By: /s/ JOANNA T. LAU Joanna T. Lau Trustee
Dated:	February 20, 2020	By: /s/ DAVID J. NETTINA David J. Nettina Trustee
Dated:	February 20, 2020	By: /s/ LAURIE M. SHAHON Laurie M. Shahon Trustee
Dated:	February 20, 2020	By: /s/ ANDREA M. WEISS Andrea M. Weiss Trustee
Dated:	February 20, 2020	By: /s/ MICHAEL P. FITZMAURICE Michael P. Fitzmaurice Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Dated:	February 20, 2020	By: /s/ RAYMOND J. MERK Raymond J. Merk Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)

RPT REALTY

Index to Consolidated Financial Statements

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting as such term is defined under Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934, as amended.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of our consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting includes those policies and procedures that pertain to our ability to record, process, summarize and report reliable financial data. Management recognizes that there are inherent limitations in the effectiveness of any internal control and effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Additionally, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

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.

Our management conducted an assessment of our internal controls over financial reporting as of December 31, 2019 using the framework established in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework. Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2019.

Our independent registered public accounting firm, Grant Thornton LLP, has issued an attestation report on our internal control over financial reporting. Their report appears on page F-3 of this Annual Report on Form 10-K.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Trustees and Shareholders
RPT Realty

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of RPT Realty (a Maryland corporation) and subsidiaries (the "Company") as of December 31, 2019, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2019, and our report dated February 20, 2020, expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company'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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Definition and limitations of internal control over financial reporting

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.

/s/ GRANT THORNTON LLP

Chicago, Illinois
February 20, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Trustees and Shareholders
RPT Realty

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of RPT Realty (a Maryland corporation) and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations and comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedules included under Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 20, 2020 expressed an unqualified opinion.

Change in accounting principle

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for leases in 2019 due to the adoption of Accounting Standards Codification (ASC) Topic 842, Leases.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment of income producing properties

As described in Note 1 to the consolidated financial statements, the Company reviews its income producing properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of the property may not be recoverable. These changes in circumstances include, but are not limited to, changes in occupancy, rental rates, tenant sales, net operating income, real estate values, and expected holding periods.

The principal consideration for our determination that the evaluation of impairment of income producing properties is a critical audit matter is that it involves a high degree of subjectivity in evaluating management's judgments regarding impairment indicators. Based on the subjectivity in identifying events and changes in circumstances indicating that the carrying amounts of properties may not be recoverable, the related audit procedures involve a high degree of auditor judgment.

Our audit procedures related to the evaluation of impairment of income producing properties included the following, among others. We tested the design and operating effectiveness of management's internal controls over the identification of potential impairments of income producing properties, such as controls over the Company's quarterly analysis of occupancy and financial and operating performance trends, as well management review controls to identify potential events which could indicate impairment. We examined the Company's evaluation of impairment indicators and evaluated whether all properties were included in the analysis and whether the information regarding financial and operating performance included in the analyses was complete and accurate. Additionally, we evaluated management's process for identifying impairment indicators to determine if the events and changes in circumstances that management deems representative of impairment indicators were reasonable and appropriate in the context of the applicable authoritative guidance for long-lived asset impairment, industry practice for similar entities, and relevant metrics of financial and operating performance of an income producing shopping center. Finally, we evaluated the more subjective components of the impairment indicator analyses, such as holding periods and re-leasing absorption periods, in comparison with historical transactions and performance. Our evaluation also considered whether such components were consistent with evidence obtained in other areas of the audit.

Joint venture equity method investment
As described in Note 6 to the consolidated financial statements, in December 2019, the Company entered into a joint venture agreement, R2G Venture LLC ("R2G"), which owns and operates five shopping centers, with an unrelated third party whereby the Company owns 51.5% of the equity in the joint venture. The Company is responsible for the day-to-day management of the properties as well as sourcing future acquisitions for the joint venture, and the Company receives property management, construction management and leasing fees from R2G as consideration for these management services. The Company and the joint venture partner have joint approval rights for major decisions, including those regarding property operations, and the Company cannot make significant decisions without the joint venture partner's approval. Accordingly, the Company accounts for its interest in R2G using the equity method. We identified the investment in R2G as a critical audit matter.

The principal consideration for our determination that the investment in R2G is a critical audit matter is that it involves a high degree of subjectivity in evaluating management's conclusions that the Company does not have a controlling financial interest, as defined in ASC Topic 810 *Consolidation*, in R2G, and thus does not consolidate R2G in its consolidated financial statements.

Our audit procedures related to the evaluation of the R2G joint venture equity method investment included the following, among others. We tested the design and operating effectiveness of management's internal controls over the accounting for investments in affiliates, including controls over the evaluation and application of the appropriate accounting principles. We examined the joint venture operating agreements and evaluated the relevant provisions to assess the appropriateness of the Company's conclusion that the Company and the unrelated third party exercise joint control of R2G through their equity investments, and that both parties have substantive participating rights in significant financial and operating decisions of R2G that are made in the ordinary course of business. We assessed management's conclusions regarding which significant financial and operating decisions made in the ordinary course of business are important in determining that R2G is jointly controlled by the Company and the unrelated third party.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2005.

Chicago, Illinois
February 20, 2020

RPT REALTY
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	December 31, 2019	December 31, 2018
ASSETS		
Income producing properties, at cost:		
Land	$ 331,265	$ 373,490
Buildings and improvements	1,486,838	1,652,283
Less accumulated depreciation and amortization	(352,006)	(358,195)
Income producing properties, net	1,466,097	1,667,578
Construction in progress and land available for development	42,279	53,222
Net real estate	1,508,376	1,720,800
Equity investments in unconsolidated joint ventures	130,321	1,572
Cash and cash equivalents	110,259	41,064
Restricted cash	4,293	3,658
Accounts receivable, net	24,974	23,802
Acquired lease intangibles, net	34,278	44,432
Operating lease right-of-use assets	19,222	—
Other assets, net	86,836	93,112
TOTAL ASSETS	$ 1,918,559	$ 1,928,440
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes payable, net	$ 930,808	$ 963,149
Finance lease obligation	926	975
Accounts payable and accrued expenses	55,360	56,355
Distributions payable	19,792	19,728
Acquired lease intangibles, net	38,898	48,647
Operating lease liabilities	18,181	—
Other liabilities	6,339	8,043
TOTAL LIABILITIES	1,070,304	1,096,897
Commitments and Contingencies		
RPT Realty ("RPT") Shareholders' Equity:		
Preferred shares, $0.01 par, 2,000 shares authorized: 7.25% Series D Cumulative Convertible Perpetual Preferred Shares, (stated at liquidation preference $50 per share), 1,849 shares issued and outstanding as of December 31, 2019 and 2018, respectively	92,427	92,427
Common shares of beneficial interest, $0.01 par, 120,000 shares authorized, 79,850 and 79,734 shares issued and outstanding as of December 31, 2019 and 2018, respectively	798	797
Additional paid-in capital	1,169,557	1,164,848
Accumulated distributions in excess of net income	(436,361)	(450,130)
Accumulated other comprehensive income	1,819	4,020
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO RPT	828,240	811,962
Noncontrolling interest	20,015	19,581
TOTAL SHAREHOLDERS' EQUITY	848,255	831,543
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,918,559	$ 1,928,440

The accompanying notes are an integral part of these consolidated financial statements.

RPT REALTY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except per share amounts)

	Year Ended December 31,		
	2019	**2018**	**2017**
REVENUE			
Rental income	$ 229,588	$ 256,531	$ 260,324
Other property income	4,270	3,837	4,303
Management and other fee income	230	254	455
TOTAL REVENUE	234,088	260,622	265,082
EXPENSES			
Real estate taxes	35,961	42,306	42,683
Recoverable operating expense	25,256	26,177	27,653
Other non-recoverable operating expense	10,292	7,286	8,044
Depreciation and amortization	78,647	87,327	91,335
Acquisitions costs	—	233	—
General and administrative expense	27,634	31,383	22,564
Provision for impairment	—	13,650	9,404
Insured expenses, net	2,276	—	—
TOTAL EXPENSES	180,066	208,362	201,683
OPERATING INCOME	54,022	52,260	63,399
OTHER INCOME AND EXPENSES			
Other expense, net	(203)	(244)	(708)
Gain on sale of real estate	81,856	3,994	52,764
Earnings from unconsolidated joint ventures	581	589	273
Interest expense	(40,057)	(43,439)	(44,866)
Other gain on unconsolidated joint ventures	237	5,208	—
Loss on extinguishment of debt	(2,571)	(134)	—
NET INCOME BEFORE TAX	93,865	18,234	70,862
Income tax provision	(179)	(198)	(143)
NET INCOME	93,686	18,036	70,719
Net (income) attributable to noncontrolling interest	(2,175)	(417)	(1,659)
NET INCOME ATTRIBUTABLE TO RPT	91,511	17,619	69,060
Preferred share dividends	(6,701)	(6,701)	(6,701)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 84,810	$ 10,918	$ 62,359
EARNINGS PER COMMON SHARE			
Basic	$ 1.06	$ 0.13	$ 0.78
Diluted	$ 1.04	$ 0.13	$ 0.78
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING			
Basic	79,802	79,592	79,344
Diluted	87,722	80,088	79,530
OTHER COMPREHENSIVE INCOME			
Net income	$ 93,686	$ 18,036	$ 70,719
Other comprehensive income:			
Change in fair value of interest rate swaps	(2,253)	1,190	2,082
Comprehensive income	91,433	19,226	72,801
Comprehensive income attributable to noncontrolling interest	(2,123)	(445)	(1,708)
COMPREHENSIVE INCOME ATTRIBUTABLE TO RPT	$ 89,310	$ 18,781	$ 71,093

The accompanying notes are an integral part of these consolidated financial statements.

RPT REALTY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands)

	Shareholders' Equity of RPT Realty						
	Preferred Shares	Common Shares	Additional Paid-in Capital	Accumulated Distributions in Excess of Net Income	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interest	Total Shareholders' Equity
Balance, December 31, 2016	$ 92,427	$ 793	$ 1,158,430	$ (384,934)	$ 985	$ 20,897	$ 888,598
Adoption of ASU 2017-12	—	—	—	221	(160)	(61)	—
Issuance of common shares, net of costs	—	—	(24)	—	—	—	(24)
Redemption of OP Unit holders	—	—	—	(1)	—	(10)	(11)
Share-based compensation, net of shares withheld for employee taxes	—	1	2,456	—	—	—	2,457
Dividends declared to common shareholders	—	—	—	(69,845)	—	—	(69,845)
Dividends declared to preferred shareholders	—	—	—	(6,701)	—	—	(6,701)
Distributions declared to noncontrolling interests	—	—	—	—	—	(1,687)	(1,687)
Dividends declared to deferred shares	—	—	—	(419)	—	—	(419)
Other comprehensive income adjustment	—	—	—	—	2,033	49	2,082
Net income	—	—	—	69,060	—	1,659	70,719
Balance, December 31, 2017	92,427	794	1,160,862	(392,619)	2,858	20,847	885,169
Adoption of ASU 2017-05	—	—	—	2,109	—	51	2,160
Issuance of common shares, net of costs	—	—	(39)	—	—	—	(39)
Redemption of OP Unit holders	—	—	—	(18)	—	(79)	(97)
Share-based compensation, net of shares withheld for employee taxes	—	3	4,025	—	—	—	4,028
Dividends declared to common shareholders	—	—	—	(70,060)	—	—	(70,060)
Dividends declared to preferred shareholders	—	—	—	(6,701)	—	—	(6,701)
Distributions declared to noncontrolling interests	—	—	—	—	—	(1,683)	(1,683)
Dividends declared to deferred shares	—	—	—	(460)	—	—	(460)
Other comprehensive income adjustment	—	—	—	—	1,162	28	1,190
Net income	—	—	—	17,619	—	417	18,036
Balance, December 31, 2018	92,427	797	1,164,848	(450,130)	4,020	19,581	831,543
Adoption of ASU 2016-02	—	—	—	(325)	—	(8)	(333)
Issuance of common shares, net of costs	—	—	(96)	—	—	—	(96)
Share-based compensation, net of shares withheld for employee taxes	—	1	4,805	—	—	—	4,806
Dividends declared to common shareholders	—	—	—	(70,237)	—	—	(70,237)
Dividends declared to preferred shareholders	—	—	—	(6,701)	—	—	(6,701)
Distributions declared to noncontrolling interests	—	—	—	—	—	(1,681)	(1,681)
Dividends declared to deferred shares	—	—	—	(479)	—	—	(479)
Other comprehensive income adjustment	—	—	—	—	(2,201)	(52)	(2,253)
Net income	—	—	—	91,511	—	2,175	93,686
Balance, December 31, 2019	$ 92,427	$ 798	$ 1,169,557	$ (436,361)	$ 1,819	$ 20,015	$ 848,255

The accompanying notes are an integral part of these consolidated financial statements.

RPT REALTY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2019	2018	2017
OPERATING ACTIVITIES			
Net income	$ 93,686	$ 18,036	$ 70,719
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	78,647	87,327	91,335
Amortization of deferred financing fees	1,419	1,503	1,418
Income tax provision	179	198	143
Earnings from unconsolidated joint ventures	(581)	(589)	(273)
Distributions received from operations of unconsolidated joint ventures	231	546	738
Provision for impairment	—	13,650	9,404
Loss on extinguishment of debt	2,571	134	—
Other gain on unconsolidated joint ventures	(237)	(5,208)	—
Gain on sale of real estate	(81,856)	(3,994)	(52,764)
Insured expenses, net	2,276	—	—
Amortization of acquired above and below market lease intangibles, net	(6,762)	(9,880)	(4,397)
Amortization of premium on mortgages and notes payable, net	(953)	(1,019)	(1,153)
Service-based restricted share expense	3,493	4,673	2,710
Long-term incentive cash and equity compensation expense	3,045	2,003	1,695
Changes in assets and liabilities, net of effect of acquisitions and dispositions:			
Accounts receivable, net	(637)	2,390	(1,974)
Other assets, net	(1,756)	(2,979)	(2,183)
Accounts payable and other liabilities	(2,172)	(469)	2,507
Net cash provided by operating activities	90,593	106,322	117,925
INVESTING ACTIVITIES			
Acquisitions of real estate	(33,922)	(6,365)	(169,882)
Development and capital improvements	(55,842)	(77,173)	(63,256)
Capital improvements covered by insurance	(759)	—	—
Net proceeds from sales of real estate	185,221	116,492	216,463
Insurance proceeds from insured expenses	3,150	—	—
Distributions from sale of joint venture property	1,985	6,308	—
(Investment in) proceeds from equity interests in unconsolidated joint ventures	(4,738)	3,000	—
Net cash provided by (used in) investing activities	95,095	42,262	(16,675)
FINANCING ACTIVITIES			
Proceeds on notes payable	300,000	—	75,000
Repayment of mortgages and notes payable	(330,678)	(5,810)	(39,775)
Proceeds on revolving credit facility	19,400	90,000	258,000
Repayments on revolving credit facility	(19,400)	(120,000)	(314,000)
Payment of debt extinguishment costs	(1,401)	(134)	—
Payment of deferred financing costs	(3,992)	—	(3,120)
Proceeds from issuance of common shares, net of costs	(96)	(39)	(24)
Repayment of finance lease obligation	(49)	(47)	(44)
Redemption of operating partnership units for cash	—	(97)	(11)
Shares used for employee taxes upon vesting of awards	(608)	(1,784)	(498)
Dividends paid to preferred shareholders	(6,701)	(6,701)	(6,701)
Dividends paid to common shareholders	(70,652)	(70,458)	(70,225)
Distributions paid to operating partnership unit holders	(1,681)	(1,683)	(1,687)
Net cash used in financing activities	(115,858)	(116,753)	(103,085)
Net change in cash, cash equivalents and restricted cash	69,830	31,831	(1,835)
Cash, cash equivalents and restricted cash at beginning of period	44,722	12,891	14,726
Cash, cash equivalents and restricted cash at end of period	$ 114,552	$ 44,722	$ 12,891

The accompanying notes are an integral part of these consolidated financial statements.

RPT REALTY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2019	2018	2017
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY			
Equity investment in unconsolidated joint venture	$ —	$ —	$ 3,000
Deferred gain on real estate sold to unconsolidated joint venture	—	2,160	(2,167)
Contribution of real estate exchanged for an equity investment in unconsolidated joint venture	125,660	—	—
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid for interest (net of capitalized interest of $134, $782 and $345, respectively)	$ 40,800	$ 43,943	$ 43,744
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	2,191	—	—

	As of December 31,		
	2019	2018	2017
Reconciliation of cash, cash equivalents and restricted cash			
Cash and cash equivalents	$ 110,259	$ 41,064	$ 8,081
Restricted cash and escrows	4,293	3,658	4,810
	$ 114,552	$ 44,722	$ 12,891

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and Summary of Significant Accounting Policies

RPT Realty, together with our subsidiaries (the "Company" or "RPT"), is a real estate investment trust ("REIT") engaged in the business of owning and operating a national portfolio of open-air shopping destinations principally located in the top U.S. markets. The Company's shopping centers offer diverse, locally-curated consumer experiences that reflect the lifestyles of their surrounding communities and meet the modern expectations of the Company's retail partners. As of December 31, 2019, the Company's portfolio consisted of 49 shopping centers (including five shopping center owned through a joint venture) representing 11.9 million square feet of gross leaseable area ("GLA"). We also have ownership interests of 7%, 20%, 30%, and 51.5%, respectively, in four joint ventures, one of which owns five shopping centers and three of which have no significant activity. Our joint ventures are reported using equity method accounting. We earn fees from certain joint ventures for managing, construction management, leasing and redeveloping the shopping centers they own. We also own interests in several land parcels that are available for development. Most of our properties are anchored by supermarkets and/or national chain stores. The Company's credit risk, therefore, is concentrated in the retail industry. As of December 31, 2019, our wholly-owned properties located in Florida and Michigan each accounted for approximately 19.5% and 20.2%, respectively, of our annualized base rent.

We made an election to qualify as a REIT for federal income tax purposes. Accordingly, we generally will not be subject to federal income tax, provided that we annually distribute at least 90% of our taxable income to our shareholders and meet other conditions.

Principles of Consolidation

The consolidated financial statements include the accounts of us and our majority owned subsidiary, RPT Realty, L.P., a Delaware limited partnership (the "Operating Partnership" which was 97.7% owned by us at December 31, 2019, 2018 and 2017), and all wholly-owned subsidiaries, including entities in which we have a controlling interest or have been determined to be the primary beneficiary of a variable interest entity ("VIE"). The presentation of consolidated financial statements does not itself imply that assets of any consolidated entity (including any special-purpose entity formed for a particular project) are available to pay the liabilities of any other consolidated entity, or that the liabilities of any other consolidated entity (including any special-purpose entity formed for a particular project) are obligations of any other consolidated entity. Investments in real estate joint ventures over which we have the ability to exercise significant influence, but for which we do not have financial or operating control, are accounted for using the equity method of accounting. Accordingly, our share of the earnings (loss) of these joint ventures is included in consolidated net income (loss). All intercompany transactions and balances are eliminated in consolidation.

We own 100% of the non-voting and voting common stock of RPT Realty, Inc., and therefore it is included in the consolidated financial statements. RPT Realty, Inc. has elected to be a taxable REIT subsidiary for federal income tax purposes. RPT Realty, Inc. provides property management services to us and to other entities, including certain real estate joint venture partners.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and reported amounts that are not readily apparent from other sources. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior period have been reclassified in order to conform with the current period's presentation. The Company reclassified $2.5 million and $3.4 million of expense associated with property-related employee compensation and benefits from general and administrative expense to non-recoverable operating expense for the years ended December 31, 2018 and 2017, respectively.

Revenue Recognition and Accounts Receivable

Our shopping center space is generally leased to retail tenants under leases that are classified as operating leases. We recognize minimum rents using the straight-line method over the terms of the leases commencing when the tenant takes possession of the space or when construction of landlord funded improvements is substantially complete. Certain of the leases also provide for contingent percentage rental income which is recorded on an accrual basis once the specified target that triggers this type of income is achieved. The leases also provide for reimbursement from tenants for common area maintenance, insurance, real estate taxes and other operating expenses ("recovery income"). The majority of our Recovery Income is estimated and recognized as revenue in the period the recoverable costs are incurred or accrued. Revenues from management, leasing, and other fees are recognized in the period in which the services have been provided and the earnings process is complete. Lease termination income is recognized when a lease termination agreement is executed by the parties and the tenant vacates the space. When a lease is terminated early but the tenant continues to control the space under a modified lease agreement, the lease termination fee is generally recognized evenly over the remaining term of the modified lease agreement.

Current accounts receivable from tenants primarily relate to contractual minimum rent, percentage rent and recovery income.

In accordance with ASC 842, income for operating leases is recognized on a straight-line basis over the expected term of the lease for all leases for which collectibility is considered probable at the commencement date. We monitor the collectability of our accounts receivable from specific tenants on an ongoing basis, analyze historical experience, customer creditworthiness, current economic trends and changes in tenant payment terms when evaluating the likelihood of tenant payment. For operating leases in which collectibility of rental income is not considered probable, rental income is recognized on a cash basis and allowances are taken for those balances that we have reason to believe may be uncollectible in the period it is determined not to be probable of collection. When tenants are in bankruptcy, we make estimates of the expected recovery of pre-petition and post-petition claims. The period to resolve these claims can exceed one year. Management believes the allowance for doubtful accounts is adequate to absorb currently estimated rental income not probable of collection. However, if we experience estimates in excess of the allowance we have established, our operating income would be reduced. At December 31, 2019 and 2018, our accounts receivable were $25.0 million and $23.8 million, respectively, net of allowances for doubtful accounts of $1.0 million and $0.9 million, respectively.

In addition, many of our leases contain non-contingent rent escalations for which we recognize income on a straight-line basis over the non-cancelable lease term. This method results in rental income in the early years of a lease being higher than actual cash received, creating a straight-line rent receivable asset which is included in the "Other assets, net" line item in our consolidated balance sheets. We review our unbilled straight-line rent receivable balance to determine the future collectability of revenue that will not be billed to or collected from tenants due to early lease terminations, lease modifications, bankruptcies and other factors. Our evaluation is based on our assessment of tenant credit risk changes indicating that expected future straight-line rent may not be realized. Depending on circumstances, we may provide a reserve against the previously recognized straight-line rent receivable asset for a portion, up to its full value, that we estimate may not be received. The balance of straight-line rent receivable at December 31, 2019 and 2018, net of allowances of $1.8 million and $2.3 million, respectively, was $19.6 million and $21.2 million, respectively. To the extent any of the tenants under these leases become unable to pay its contractual cash rents, we may be required to write down the straight-line rent receivable from that tenant, which would reduce our operating income.

Real Estate

Real estate assets that we own directly are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method. The estimated useful lives for computing depreciation are generally 10 – 40 years for buildings and improvements and 5 – 30 years for parking lot surfacing and equipment. We capitalize all capital improvement expenditures associated with replacements and improvements to real property that extend the property's useful life and depreciate them over their estimated useful lives ranging from 15 – 25 years. In addition, we capitalize qualifying tenant leasehold improvements and depreciate them over the lesser of the useful life of the improvements or the term of the related tenant lease. We also capitalize direct internal and external costs of procuring leases and amortize them over the base term of the lease. If a tenant vacates before the expiration of its lease, we charge unamortized leasing costs and undepreciated tenant leasehold improvements of no future value to expense. We charge maintenance and repair costs that do not extend an asset's life to expense as incurred.

Sale of a real estate asset is recognized when it is determined that the sale has been consummated, the buyer's initial and continuing investment is adequate, our receivable, if any, is not subject to future subordination, and the buyer has assumed the usual risks and rewards of ownership of the asset. We will classify properties as held for sale when executed purchase and sales agreement contingencies have been satisfied thereby signifying that the sale is legally binding.

Acquisitions of properties are accounted for utilizing the acquisition method and, accordingly, the results of operations of an acquired property are included in our results of operations from the date of acquisition. Estimates of fair values are based upon future cash flows and other valuation techniques in accordance with our fair value measurements policy, which are used to allocate the purchase price of acquired property among land, buildings on an "as if vacant" basis, tenant improvements, identifiable intangibles and any gain on purchase. Identifiable intangible assets and liabilities include the effect of above-and below-market leases, the value of having leases in place ("as-is" versus "as if vacant" and absorption costs), other intangible assets such as assumed tax increment revenue bonds and out-of-market assumed mortgages. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of 40 years for buildings, and over the remaining terms of any intangible asset contracts and the respective tenant leases, which may include bargain renewal options. The impact of these estimates, including estimates in connection with acquisition values and estimated useful lives, could result in significant differences related to the purchased assets, liabilities and subsequent depreciation or amortization expense.

Real estate also includes costs incurred in the development of new operating properties and the redevelopment of existing operating properties. These properties are carried at cost and no depreciation is recorded on these assets until the commencement of rental revenue or no later than one year from the completion of major construction. These costs include pre-development costs directly identifiable with the specific project, development and construction costs, interest, real estate taxes and insurance. Interest is capitalized on land under development and buildings under construction based on the weighted average rate applicable to our borrowings outstanding during the period and the weighted average balance of qualified assets under development/redevelopment during the period. Indirect project costs associated with development or construction of a real estate project are capitalized until the earlier of one year following substantial completion of construction or when the property becomes available for occupancy.

The capitalized costs associated with development and redevelopment projects are depreciated over the useful life of the improvements. If we determine a development or redevelopment project is no longer probable, we expense all capitalized costs which are not recoverable.

It is our policy to start vertical construction on new development projects only after the project has received entitlements, significant anchor leasing commitments, construction financing and joint venture partner commitments, if appropriate. We are in the entitlement and pre-leasing phases at our development projects.

Accounting for the Impairment of Long-Lived Assets

We review our investment in real estate, including any related intangible assets, for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of the property may not be recoverable. These changes in circumstances include, but are not limited to, changes in occupancy, rental rates, net operating income, real estate values and expected holding period. The viability of all projects under construction or development, including those owned by unconsolidated joint ventures, is regularly evaluated under applicable accounting requirements, including requirements relating to abandonment of assets or changes in use. To the extent a project, or individual components of the project, is no longer considered to have value, the related capitalized costs are charged against operations.

Impairment provisions resulting from any event or change in circumstances, including changes in management's intentions or management's analysis of varying scenarios, could be material to our consolidated financial statements.

We recognize an impairment of an investment in real estate when the estimated undiscounted cash flow is less than the net carrying value of the property. If it is determined that an investment in real estate is impaired, then the carrying value is reduced to the estimated fair value as determined by cash flow models and discount rates or comparable sales in accordance with our fair value measurement policy.

In 2019, we recorded no impairment provision related to developable land or shopping centers classified as income producing.

Investments in Real Estate Joint Ventures

We have four equity investments in unconsolidated joint venture entities in which we own 51.5% or less of the total ownership interest, one of which owns five shopping centers and three of which have no significant activity. Under all of our joint ventures, because we can influence but not make significant decisions without our partners' approval, these investments are accounted for under the equity method of accounting. We provide leasing, construction, development, asset and property management services to these joint ventures for which we are paid fees.

We review our equity investments in unconsolidated entities for impairment on a venture-by-venture basis whenever events or changes in circumstances indicate that the carrying value of the equity investment may not be recoverable. In testing for impairment of these equity investments, we primarily use cash flow models, discount rates, and capitalization rates to estimate the fair value of properties held in joint ventures, and mark the debt of the joint ventures to market. Considerable judgment by management is applied when determining whether an equity investment in an unconsolidated entity is impaired and, if so, the amount of the impairment. Changes to assumptions regarding cash flows, discount rates or capitalization rates could be material to our consolidated financial statements.

There were no impairment provisions on our equity investments in joint ventures recorded in 2019, 2018 or 2017.

Deferred Financing Costs

Debt issuance costs related to a recognized debt liability is presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Unamortized debt issuance costs of $3.8 million and $3.1 million are included in Notes payable, net as of December 31, 2019 and 2018, respectively.

Debt issuance costs associated with a line of credit arrangement is classified as an asset and subsequently amortized ratably over the term of the line of credit arrangement, regardless of whether there are any outstanding borrowings on the line of credit arrangement. Unamortized debt issuance costs related to our unsecured revolving credit facility of $2.7 million and $2.0 million are included in Other assets, net as of December 31, 2019 and 2018, respectively.

Other Assets, net

Other assets consist primarily of acquired development agreement intangibles, an acquired ground lease intangible, straight-line rent receivable, deferred leasing costs, deferred financing costs related to our unsecured revolving credit facility and prepaid expenses. Deferred financing costs related to our unsecured revolving credit facility and leasing costs are amortized using the straight-line method over the terms of the respective agreements, which approximates the effective interest method. Should a tenant terminate its lease, the unamortized portion of the leasing cost is expensed. Unamortized deferred financing costs are expensed when the related agreements are terminated before their scheduled maturity dates. Lastly, the acquired development agreement and acquired ground lease intangible assets are amortized over the terms of the respective agreements as well.

Cash and Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash balances in individual banks may exceed the federally insured limit by the Federal Deposit Insurance Corporation (the "FDIC"). As of December 31, 2019, we had $111.4 million in excess of the FDIC insured limit.

Recognition of Share-based Compensation Expense

We grant share-based compensation awards to employees and trustees in the form of restricted common shares and cash and equity settled awards, and in the past we have granted stock options to employees and trustees. Our share-based award costs are equal to each grant date fair value and are recognized over the service periods of the awards using the graded vesting method. We recognize forfeitures related to stock awards and stock options as they occur. See Note 15 of these notes to the consolidated financial statements for further information regarding our share based compensation.

Income Tax Status

We made an election, and believe our operating activities permit us, to qualify as a REIT for federal income tax purposes. Accordingly, we generally will not be subject to federal income tax, provided that we distribute at least 90% of our taxable income annually to our shareholders and meet other conditions. We are obligated to pay state taxes, generally consisting of franchise or gross receipts taxes in certain states which are not material to our consolidated financial statements.

Certain of our operations, including property and asset management, as well as ownership of certain land parcels, are conducted through taxable REIT subsidiaries, ("TRSs") which are subject to federal and state income taxes. During the years ended December 31, 2019, 2018, and 2017, we sold various properties and land parcels at a gain, resulting in both a federal and state tax liability. See Note 16 of the notes to the consolidated financial statements in this report for further information regarding income taxes.

Variable Interest Entities ("VIE")

Certain entities that do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties or in which equity investors do not have the characteristics of a controlling financial interest qualify as VIEs. VIEs are required to be consolidated by their primary beneficiary. The primary beneficiary of a VIE has both (i) the power to direct the activities that most significantly impact economic performance of the VIE, and (ii) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. We have evaluated our investments in joint ventures and determined that our joint ventures do not meet the requirements of a VIE and, therefore, consolidation of these ventures is not required.

Noncontrolling Interest in Subsidiaries

There are third parties who have certain noncontrolling interests in the Operating Partnership that are exchangeable for our common shares on a 1:1 basis or cash, at our election. Noncontrolling interest is classified as a separate component of equity outside of the permanent equity section of our consolidated balance sheets. Consolidated net income and comprehensive income includes the noncontrolling interest's share. The calculation of earnings per share is based on income available to common shareholders.

Segment Information

Our primary business is the ownership, management, redevelopment, development and operation of retail shopping centers. We do not distinguish our primary business or group our operations on a geographical basis for purposes of measuring performance. We review operating and financial data for each property on an individual basis and define an operating segment as an individual property. The individual properties have been aggregated into one reportable segment based upon their similarities with regard to both the nature and economics of the centers, tenants and operational processes, as well as long-term financial performance. No one individual property constitutes more than 10% of our revenue or property operating income and none of our shopping centers is located outside the United States. Accordingly, we have a single reportable segment for disclosure purposes.

2. Recently Issued Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-07, "Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting," which expanded the scope of Topic 718, Compensation-Stock Compensation (which previously only included share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees is now substantially aligned. This standard became effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. The adoption of this standard did not have a material impact on our condensed consolidated financial statements.

In February 2016, the FASB issued ASC Topic 842 "Leases" ("ASU 2016-02"). ASU 2016-02 requires lessees to record operating and financing leases as assets and liabilities on the balance sheet and lessors to expense costs that are not incremental direct leasing costs. In addition, the following ASUs were subsequently issued related to ASC Topic 842, all of which were effective with ASU 2016-02:

- In January 2018, the FASB issued ASU 2018-01, "Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842". The standard provides an optional transition practical expedient for the adoption of ASU 2016-02 that, if elected, does not require an organization to reconsider its accounting for existing land easements that are not currently accounted for under the old leases standard.
- In July 2018, the FASB issued ASU 2018-10, "Codification Improvements to Topic 842, Leases," which affects narrow aspects of the guidance issued in the amendments in ASU 2016-02.
- In July 2018, the FASB issued ASU 2018-11, "Leases (Topic 842): Targeted Improvements," which provides lessors with a practical expedient, by class of underlying asset, to not separate non-lease components from the associated lease component and, instead, to account for those components as a single component if the non-lease components otherwise would be accounted for under the new revenue guidance (Topic 606) and certain criteria are met. The guidance also provides an optional transition method which would allow entities to initially apply the new guidance in the period of adoption, recognizing a cumulative-effect adjustment to the opening balance of retained earnings, if necessary.

- In December 2018, the FASB issued ASU 2018-20, "Leases (Topic 842): Narrow-Scope Improvements for Lessors," which addresses specific issues in the leasing guidance, including sales taxes and other similar taxes collected from lessees, certain lessor costs paid directly by lessees, and recognition of variable payments for contracts with lease and non-lease components.

This standard became effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. The Company has elected the practical expedients allowable under ASU 2018-01 and ASU 2018-11, which included the optional transition method permitting January 1, 2019 to be its initial application date. On January 1, 2019, the Company elected the single component practical expedient, which requires a lessor, by class of underlying asset, not to allocate the total consideration to the lease and non-lease components based on their relative stand-alone selling prices. This single component practical expedient requires the Company to account for the lease component and non-lease component(s) associated with that lease as a single component if (i) the timing and pattern of transfer of the lease component and the non-lease component(s) associated with it are the same and (ii) the lease component would be classified as an operating lease if it were accounted for separately. If these criteria are met, and the lease component is predominant, the lease is accounted for under ASC 842. As a result of this assessment, minimum rent and recovery income from the lease of real estate assets that qualify for this expedient are accounted for as a single component under ASC 842, with recovery income primarily as variable consideration. The Company's operating leases commencing or modified after January 1, 2019, for which the Company is the lessor, qualify for the single component practical expedient accounting under ASC 842. Based on the Company's election of available practical expedients, the Company's existing operating leases whereby it is the lessor continue to be accounted for as operating leases under ASC 842. However, ASC 842 changed certain requirements regarding lease classification for lessors that could result in the Company classifying certain future leases transacted or modified subsequent to adoption of the standard, particularly long-term ground leases, as sales-type or direct financing leases as opposed to operating leases.

Prior to the adoption of ASC 842, the Company recognized tenant recovery income regardless of whether the third party was paid by the lessor or lessee. Effective January 1, 2019, such tenant recoveries are only recognized to the extent that the Company pays the third party directly and are classified as rental income on the Company's condensed consolidated income statement. Under ASC 842, lessors are required to continually assess collectibility of lessee payments and, if operating lease payments are not probable of collection, to only recognize into income the lesser of (i) straight-line rental income or (ii) lease payments received to date. Additionally, only incremental direct leasing costs are now capitalized under this new guidance, and the Company recognized a cumulative effect adjustment of approximately $0.3 million to shareholders' equity, primarily related to certain costs associated with unexecuted leases that were deferred as of the adoption date.

For leases where the Company is a lessee, primarily the Company's ground lease and administrative office leases, the Company recorded an operating lease liability of $16.6 million and a operating lease right-of-use asset of $18.0 million upon adoption, which were initially measured at the present value of future lease payments with consideration given to the probability of lease option exercise to determine the initial term. The right-of-use asset was recorded net of our existing straight-line rent liability and ground lease intangible asset. The present value of future lease payments was discounted using our incremental borrowing rate on a collateralized basis over a similar term in a similar environment. For leases with a term of 12 months or less, the Company has made a policy election to not recognize lease liabilities and lease assets. For our existing ground and office operating leases, we have continued to recognize straight-line rent expense within non-recoverable operating expenses and general and administrative expenses, respectively, within our condensed consolidated statement of operations and comprehensive income.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, "Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement," which amends ASC 820, Fair Value Measurement. ASU 2018-13 modified the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. This standard is effective for public companies for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year. The Company has adopted this new guidance effective on January 1, 2020, which did not have a material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04 "Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). ASU 2017-04 simplifies the accounting for goodwill impairment by removing Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. ASU 2017-04 is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019, and should be applied on a prospective basis. The Company has adopted this new guidance effective on January 1, 2020, which did not have a material impact on our consolidated financial statements.

In June 2016, the FASB updated Accounting Standards Codification ("ASC") Topic 326 "Financial Instruments - Credit Losses" with ASU 2016-13 "Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). ASU 2016-13 enhances the methodology of measuring expected credit losses to include the use of forward-looking information to better inform credit loss estimates. ASU 2016-13 is effective for annual periods beginning after December 15, 2019, including interim periods within that fiscal year. In addition, in November 2018 the FASB issued ASU 2018-19, which clarifies that receivables arising from operating leases are not within the scope of the credit losses standard, but rather, should be accounted for in accordance with the leases standard. The Company has adopted this new guidance effective on January 1, 2020, which did not have a material impact on our consolidated financial statements.

3. Real Estate

Included in our net real estate are income producing shopping center properties that are recorded at cost less accumulated depreciation and amortization, construction in process and land available for development.

Following is the detail of the construction in progress and land available for development as of December 31, 2019 and 2018:

	December 31,	
	2019	2018
	(In thousands)	
Construction in progress	$ 13,777	$ 23,747
Land available for development	28,502	29,475
Total	$ 42,279	$ 53,222

Construction in progress represents existing development, redevelopment and tenant build-out projects. When projects are substantially complete and ready for their intended use, balances are transferred to land or building and improvements as appropriate.

Land available for development includes real estate projects where vertical construction has yet to commence, but which have been identified by us and are available for future development when market conditions dictate the demand for a new shopping center. The viability of all projects under construction or development, including those owned by unconsolidated joint ventures, is regularly evaluated under applicable accounting requirements, including requirements relating to abandonment of assets or changes in use.

4. Property Acquisitions and Dispositions

Acquisitions

The following table provides a summary of our acquisitions during 2019 and 2018:

Property Name	Location	GLA	Acreage	Date Acquired	Gross Purchase Price	Assumed Debt
		(In thousands)			(In thousands)	
2019						
Lakehills Plaza	Austin, TX	76	N/A	12/06/19	$ 33,922	$ —
Total acquisitions		76	—		$ 33,922	$ —
2018						
Leasehold Interest (West Oaks)	Novi, MI	60	N/A	01/15/18	$ 6,365	$ —
Total acquisitions		60	—		$ 6,365	$ —

The total aggregate fair value of the acquisitions was allocated and is reflected in the following table in accordance with accounting guidance for business combinations. At the time of acquisition, these assets and liabilities were considered Level 3 fair value measurements:

	December 31,	
	2019	2018
	(In thousands)	
Land	$ 17,987	$ —
Buildings and improvements	12,828	6,427
Above market leases	223	237
Lease origination costs	3,235	633
Other liabilities	—	(353)
Below market leases	(351)	(579)
Net assets acquired	$ 33,922	$ 6,365

Total revenue and net income for the 2019 acquisition included in our consolidated statement of operations for the year ended December 31, 2019 were $0.2 million and $0.0 million, respectively.

Unaudited Proforma Information

If the 2019 and 2018 acquisitions had occurred on January 1, 2018, our consolidated revenues and net income for the years ended December 31, 2019 and 2018 would have been as follows:

	Year Ended December 31,	
	2019	2018
	(in thousands)	
Consolidated revenue	$ 236,533	$ 263,254
Consolidated net income available to common shareholders	$ 85,377	$ 11,529

Dispositions

The following table provides a summary of our disposition activity during 2019 and 2018:

Property Name	Location	GLA	Acreage	Date Sold	Gross Sales Price	Gross Gain (loss) on Sale
		(In thousands)			(In thousands)	
2019						
East Town Plaza	Madison, WI	217	N/A	02/20/19	$ 13,500	$ 1,169
The Shoppes at Fox River	Waukesha, WI	332	N/A	03/06/19	55,000	4,533
R2G Venture LLC - 5 Income Producing Properties (1)	FL, MI & MO	777	N/A	12/10/19	244,000	75,783
Total income producing dispositions		1,326	—		$ 312,500	$ 81,485
Hartland - Outparcel	Hartland, MI	N/A	1.1	06/28/19	$ 875	$ 371
Total outparcel dispositions		—	1.1		$ 875	$ 371
Total dispositions		1,326	1.1		$ 313,375	$ 81,856
2018						
Harvest Junction North	Longmont, CO	191	N/A	12/28/18	$ 33,629	$ —
Harvest Junction South	Longmont, CO	177	N/A	12/28/18	26,097	58
Jackson West	Jackson, MI	210	N/A	12/20/18	12,750	3,641
Crossroads Centre	Rossford, OH	344	N/A	12/14/18	19,931	—
Rossford Pointe	Rossford, OH	47	N/A	12/14/18	4,169	—
Jackson Crossing	Jackson, MI	420	N/A	11/14/18	25,000	—
Total income producing dispositions		1,389	—		$ 121,576	$ 3,699
Harvest Junction North - Outparcel	Longmont, CO	N/A	3.2	12/28/18	$ 1,424	$ 114
Peachtree Hills - Outparcel	Duluth, GA	N/A	1.7	05/25/18	650	—
Theatre Parcel - Hartland Town Square	Hartland, MI	N/A	7.5	04/02/18	1,450	181
Total outparcel dispositions		—	12.4		$ 3,524	$ 295
Total dispositions		1,389	12.4		$ 125,100	$ 3,994

(1) We contributed five previously wholly-owned properties to the newly formed joint venture, R2G Venture LLC. Refer to Note 6 of these notes to the consolidated financial statements for additional information.

5. Impairment Provisions

We established provisions for impairment for the following consolidated assets:

	Year Ended December 31, 2019	2018	2017
		(In thousands)	
Land available for development	$ —	$ 216	$ 982
Income producing properties marketed for sale	—	13,434	8,422
Total	$ —	$ 13,650	$ 9,404

During 2018, the Company's decision to market for potential sale certain wholly-owned income producing properties resulted in an impairment provision of $13.4 million. The adjustment was triggered by changes in the associated market prices and expected hold period assumptions related to these shopping centers. During 2018, we recorded an impairment provision totaling $0.2 million on a land parcel due to higher costs related to this parcel.

During 2017, the Company's decision to market for potential sale certain wholly-owned income producing properties resulted in an impairment provision of $8.4 million. The adjustment was triggered by changes in the associated market prices and expected hold period assumptions related to these shopping centers. During 2017, changes in the expected use and changes in associated sales price assumptions related to land held for development resulted in an impairment provision of $1.0 million.

6. Equity Investments in Unconsolidated Joint Ventures

As of December 31, 2019, we had three joint venture agreements: 1) Ramco/Lion Venture LP; 2) Ramco 450 Venture LLC; and 3) Ramco HHF NP LLC, whereby we own 30%, 20%, and 7%, respectively, of the equity in each joint venture. As of December 31, 2019, these joint ventures do not own any income producing properties. We and the joint venture partners have joint approval rights for major decisions, including those regarding property operations. We cannot make significant decisions without our partner's approval. Accordingly, we account for our interest in the joint ventures using the equity method.

On December 10, 2019, we entered into a fourth joint venture agreement, R2G Venture LLC ("R2G"), with an affiliate of GIC Private Limited ("GIC") whereby we own 51.5% of the equity in the joint venture. The Company contributed five properties valued at $244.0 million to R2G, and received $118.3 million in gross proceeds for the 48.5% stake in R2G that was acquired by GIC. Additionally, GIC has committed up to $200.0 million of additional capital to R2G over the next three years to fund its 48.5% share of up to an aggregate of $412.4 million of potential future acquisitions by R2G of grocery-anchored shopping centers in target markets in the U.S. The Company receives property management, construction management and leasing fees from R2G. The Company is also responsible for the day-to-day management of the properties as well as sourcing future acquisitions for R2G. Both GIC and RPT will have consent rights for all future acquisitions, and GIC has approval rights in connection with annual budgets and other specified major decisions. During the investment period for R2G, RPT has agreed to present all opportunities above a specified size threshold to acquire grocery-anchored shopping centers in attractive-high growth markets in the United States to R2G and not to acquire, invest in or source any such opportunities that have not previously been presented to R2G and declined by GIC. Unless specified events occur, neither the Company nor GIC will have the right to force a sale of R2G or its assets within the first five years following its formation. Thereafter, both the Company and GIC will have forced sale rights, subject to a right to participate in the purchase for the other member

Combined financial information of our unconsolidated joint ventures is summarized as follows:

Balance Sheets	**December 31, 2019**	**December 31, 2018**
	(In thousands)	
ASSETS		
Investment in real estate, net	$ 233,531	$ 22,591
Other assets	27,463	2,099
Total Assets	$ 260,994	$ 24,690
LIABILITIES AND OWNERS' EQUITY		
Other liabilities	$ 15,943	$ 525
Owners' equity	245,051	24,165
Total Liabilities and Owners' Equity	$ 260,994	$ 24,690
RPT's equity investments in unconsolidated joint ventures	$ 130,321	$ 1,572

Statements of Operations	Year Ended December 31, 2019	2018	2017
		(In thousands)	
Total revenue	$ 3,146	$ 3,868	$ 4,620
Total expenses	(2,238)	(2,671)	(3,067)
Income before other income and expense	908	1,197	1,553
Gain on sale of real estate	5,494	1,024	—
Net income	$ 6,402	$ 2,221	$ 1,553
RPT's share of earnings from unconsolidated joint ventures	$ 581	$ 589	$ 273

Acquisitions

The following table provides a summary of our unconsolidated joint venture property acquisitions during 2019 and 2018:

Property Name	Location	GLA	Acreage	Date Acquired	Gross Purchase Price	Assumed Debt
		(In thousands)			(In thousands)	
2019						
RPT Realty - 5 Income Producing Properties [1]	FL, MI & MO	777	N/A	12/10/19	$244,000	$ —
Total acquisitions		777	—		$244,000	$ —
2018						
None						

[1] The income producing properties acquired were: (1) Coral Creek Shops located in Coconut Creek, FL, (2) Mission Bay Plaza located in Boca Raton, FL, (3) The Crossroads located in Royal Palm Beach, FL, (3) The Shops at Old Orchard located in West Bloomfield, MI, and (5) Town & Country Crossing located in Town & Country, MO.

The total aggregate fair value of the acquisitions was allocated and is reflected in the following table in accordance with accounting guidance for business combinations. At the time of acquisition, these assets and liabilities were considered Level 3 fair value measurements:

	Acquisition Date
	(In thousands)
Land	$ 78,019
Buildings and improvements	155,924
Above market leases	2,326
Lease origination costs	22,776
Below market leases	(15,045)
Net assets acquired	$ 244,000

Dispositions

The following table provides a summary of our unconsolidated joint venture property disposition activity during 2019 and 2018:

Property Name	Location	GLA	Ownership %	Date Sold	Gross Sales Price	Gross Gain on Sale (at 100%)
		(In thousands)			(In thousands)	
2019						
Nora Plaza	Indianapolis, IN	140	7 %	8/16/19	$ 29,000	$ 5,494
		140			$ 29,000	$ 5,494
RPT's proportionate share of gross sales price and gain on sale of joint venture property					$ 2,030	$ 385
2018						
Martin Square	Stuart, FL	330	30 %	7/18/18	$ 22,000	$ 1,024
		330			$ 22,000	$ 1,024
RPT's proportionate share of gross sales price and gain on sale of joint venture property					$ 6,600	$ 307

The Company recorded an other gain on unconsolidated joint ventures for the year ended December 31, 2019 of $0.2 million which represents the excess of the net cash distributed to it from the Nora Plaza disposition and its proportionate share of the remaining equity in the unconsolidated joint venture.

Joint Venture Management and Other Fee Income

We are engaged by certain of our joint ventures, which we consider to be related parties, to provide asset management, property management, leasing and investing services for such ventures' respective properties. We receive fees for our services, including property management fees calculated as a percentage of gross revenues received and recognize these fees as the services are rendered.

The following table provides information for our fees earned which are reported in our consolidated statements of operations:

	Year Ended December 31, 2019	2018	2017
		(In thousands)	
Management fees	$ 137	$ 159	$ 276
Leasing fees	2	40	146
Acquisition/disposition fees	67	55	33
Construction fees	24	—	—
Total	$ 230	$ 254	$ 455

7. Other Assets, Net and Acquired Lease Intangible Assets, Net

Other assets, net consisted of the following:

	December 31, 2019	December 31, 2018
	(In thousands)	
Deferred leasing costs, net	$ 30,442	$ 36,385
Deferred financing costs on unsecured revolving credit facility, net	2,659	1,966
Acquired development agreements [1]	18,017	19,061
Ground leasehold intangible	—	2,148
Other, net	9,031	3,249
Total amortizable other assets	60,149	62,809
Straight-line rent receivable, net	19,605	21,225
Goodwill	2,089	2,089
Cash flow hedge mark-to-market asset	2,331	4,115
Prepaid and other deferred expenses, net	2,662	2,874
Other assets, net	$ 86,836	$ 93,112

(1) Represents in-place public improvement agreement of approximately $13.7 million and real estate tax exemption agreement of approximately $4.3 million associated with two properties acquired in 2014.

Straight-line rent receivables are recorded net of allowances of $1.8 million and $2.3 million at December 31, 2019 and 2018, respectively.

Acquired lease intangible assets, net consisted of the following:

	December 31, 2019	December 31, 2018
	(In thousands)	
Lease originations costs	$ 66,557	$ 79,890
Above market leases	4,840	6,982
	71,397	86,872
Accumulated amortization	(37,119)	(42,440)
Acquired lease intangibles, net	$ 34,278	$ 44,432

Acquired lease intangible assets have a remaining weighted-average amortization period of 10.6 years as of December 31, 2019. These intangible assets are being amortized over the terms of the applicable lease. Amortization of lease origination costs is an increase to amortization expense and amortization of above-market leases is a reduction to rental income over the applicable terms of the respective leases. Amortization of the above market lease asset resulted in a reduction of revenue of approximately $0.8 million, $1.6 million, and $2.0 million for the years ended December 31, 2019, 2018, and 2017, respectively.

Combined, amortizable other assets, net and acquired lease intangibles, net totaled $94.4 million. The following table represents estimated aggregate amortization expense related to those assets as of December 31, 2019:

Year Ending December 31,	
	(In thousands)
2020	$ 14,983
2021	12,975
2022	10,562
2023	9,722
2024	6,822
Thereafter	39,363
Total	$ 94,427

8. Debt

The following table summarizes our mortgages, notes payable and finance lease obligation as of December 31, 2019 and 2018:

	December 31,	
	2019	**2018**
	(In thousands)	
Senior unsecured notes	$ 535,000	$ 610,000
Unsecured term loan facilities	310,000	210,000
Fixed rate mortgages	87,581	115,134
Unsecured revolving credit facility	—	—
Junior subordinated notes	—	28,125
	932,581	963,259
Unamortized premium	1,995	2,948
Unamortized deferred financing costs	(3,768)	(3,058)
	$ 930,808	$ 963,149
Finance lease obligation	$ 926	$ 975

Senior Unsecured Notes

On November 6, 2019, we repaid $100.0 million which constituted repayment in full of the Operating Partnership's $50.0 million 4.16% senior unsecured notes due 2024 and its $50.0 million 4.30% senior unsecured notes due 2026, each issued pursuant to the note purchase agreement dated September 8, 2014, as amended. Accordingly, on November 6, 2019, all outstanding notes and other obligations of the Operating Partnership and guarantors under such note purchase agreement were paid and satisfied. In conjunction with this early repayment, we wrote off unamortized deferred financings costs of $0.1 million, which is included as loss on extinguishment of debt in the consolidated statement of operations and comprehensive income.

On December 27, 2019, we entered into a note purchase agreement with the institutional investors named therein and closed a private placement of the Operating Partnership's $50.0 million aggregate principal amount of 4.15% Senior Guaranteed Notes due December 27, 2029 pursuant thereto. Such notes are unsecured and are guaranteed by the Company and certain subsidiaries of the Operating Partnership. The notes have an annual fixed interest rate of 4.15% and mature on December 27, 2029. A portion of the proceeds were used to repay the Operating Partnership's $25.0 million aggregate principal amount of 4.13% Series A Notes due 2022 for an aggregate amount of $26.4 million, which included a prepayment penalty of $1.4 million. In conjunction with this early repayment, we wrote off unamortized deferred financings costs of $0.1 million, which is included as loss on extinguishment of debt in the consolidated statement of operations. A portion of the proceeds were also used to repay the 6.50% fixed rate mortgage loan encumbering West Oaks II and Spring Meadows Place, with an aggregate principal balance of $24.9 million.

The following table summarizes the Company's senior unsecured notes:

		December 31, 2019		December 31, 2018	
Senior Unsecured Notes	Maturity Date	Principal Balance	Interest Rate/ Weighted Average Interest Rate	Principal Balance	Interest Rate/ Weighted Average Interest Rate
		(in thousands)		(in thousands)	
Senior unsecured notes - 3.75% due 2021	6/27/2021	$ 37,000	3.75 %	$ 37,000	3.75 %
Senior unsecured notes - 4.13% due 2022	12/21/2022	—	— %	25,000	4.13 %
Senior unsecured notes - 4.12% due 2023	6/27/2023	41,500	4.12 %	41,500	4.12 %
Senior unsecured notes - 4.65% due 2024	5/28/2024	50,000	4.65 %	50,000	4.65 %
Senior unsecrued notes - 4.16% due 2024	11/4/2024	—	— %	50,000	4.16 %
Senior unsecured notes - 4.05% due 2024	11/18/2024	25,000	4.05 %	25,000	4.05 %
Senior unsecured notes - 4.27% due 2025	6/27/2025	31,500	4.27 %	31,500	4.27 %
Senior unsecured notes - 4.20% due 2025	7/6/2025	50,000	4.20 %	50,000	4.20 %
Senior unsecured notes - 4.09% due 2025	9/30/2025	50,000	4.09 %	50,000	4.09 %
Senior unsecured notes - 4.74% due 2026	5/28/2026	50,000	4.74 %	50,000	4.74 %
Senior unsecured notes - 4.30% due 2026	11/4/2026	—	— %	50,000	4.30 %
Senior unsecured notes - 4.28% due 2026	11/18/2026	25,000	4.28 %	25,000	4.28 %
Senior unsecured notes - 4.57% due 2027	12/21/2027	30,000	4.57 %	30,000	4.57 %
Senior unsecured notes - 3.64% due 2028	11/30/2028	75,000	3.64 %	75,000	3.64 %
Senior unsecured notes - 4.72% due 2029	12/21/2029	20,000	4.72 %	20,000	4.72 %
Senior unsecured notes - 4.15% due 2029	12/27/2029	50,000	4.15 %	—	— %
		$ 535,000	4.20 %	$ 610,000	4.21 %
Unamortized deferred financing costs		(1,460)		(1,546)	
	Total	$ 533,540		$ 608,454	

Unsecured Term Loan Facilities and Revolving Credit Facility

On November 6, 2019, the Operating Partnership entered into a Fifth Amended and Restated Credit Agreement (the "credit agreement") which consists of an unsecured revolving credit facility (the "revolving credit facility") of up to $350.0 million and term loan facilities of $310.0 million (the "term loan facilities" and, together with the revolving credit facility, the "unsecured revolving line of credit"). The revolving credit facility matures on November 6, 2023 and can be extended for up to one year to 2024 through two six-month options, subject to continued compliance with the terms of the credit agreement and the payment of an extension fee of 0.075%. Borrowings on the revolving credit facility are priced on a leverage grid ranging from LIBOR plus 105 basis points to LIBOR plus 150 basis points.

The term loan facilities mature in five separate tranches ranging from March 3, 2023 to February 5, 2027 and are priced on a leverage grid ranging from LIBOR plus 120 basis points to LIBOR plus 220 basis points. The credit agreement allows for the right to request increases in the revolving and term loan commitments or the making of additional term loans by up to an additional $340.0 million to a maximum aggregate amount not to exceed $1.0 billion. A portion of the proceeds from the restated credit agreement were used to repay our $75.0 million term loan due 2020 and our $75.0 million term loan due 2021 for an aggregate amount of $150.0 million. In conjunction with this early repayment, we wrote off deferred financing costs of $0.3 million, which is included as loss on extinguishment of debt in the consolidated statement of operations and comprehensive income.

The following table summarizes the Company's unsecured term loan facilities and revolving credit facility:

Unsecured Credit Facilities	Maturity Date	December 31, 2019 Principal Balance	December 31, 2019 Interest Rate/ Weighted Average Interest Rate	December 31, 2018 Principal Balance	December 31, 2018 Interest Rate/ Weighted Average Interest Rate
		(in thousands)		(in thousands)	
Unsecured term loan due 2020	5/16/2020	$ —	— %	$ 75,000	2.99 %
Unsecured term loan due 2021	5/29/2021	—	— %	75,000	2.84 %
Unsecured term loan due 2023 - fixed rate (1)	3/3/2023	60,000	2.97 %	60,000	3.42 %
Unsecured term loan due 2024	11/6/2024	50,000	2.91 %	—	— %
Unsecured term loan due 2025 - fixed rate (2)	2/6/2025	50,000	2.66 %	—	— %
Unsecured term loan due 2026	11/6/2026	50,000	3.31 %	—	— %
Unsecured term loan due 2027 - fixed rate (3)	2/5/2027	100,000	3.25 %	—	— %
		$ 310,000	3.06 %	$ 210,000	3.06 %
Unamortized deferred financing costs		(2,308)		(808)	
Term loans, net		$ 307,692		$ 209,192	
Revolving credit facility - variable rate	11/6/2023	$ —	2.80 %	$ —	3.81 %

(1) Swapped to a weighted average fixed rate of 1.77%, plus a credit spread of 1.20%, based on a leverage grid at December 31, 2019.
(2) Swapped to a weighted average fixed rate of 1.46%, plus a credit spread of 1.20%, based on a leverage grid at December 31, 2019.
(3) Swapped to a weighted average fixed rate of 1.65%, plus a credit spread of 1.60%, based on a leverage grid at December 31, 2019.

As of December 31, 2019, we had no balance outstanding under our revolving credit facility. Borrowings on the revolving credit facility are priced on a leverage grid ranging from LIBOR plus 105 basis points to LIBOR plus 150 basis points. At December 31, 2019 borrowings were priced at LIBOR plus 110 basis points. After adjusting for outstanding letters of credit issued under our revolving credit facility, not reflected in the accompanying consolidated balance sheets, totaling $0.2 million, we had $349.8 million of availability under our revolving credit facility as of December 31, 2019, subject to compliance with applicable covenants. The interest rate as of December 31, 2019 was 2.80%.

Mortgages

On December 31, 2019, the Company repaid a mortgage note secured by West Oaks II and Spring Meadows Place totaling $24.2 million with an interest rate of 6.50%.

The following table summarizes the Company's fixed rate mortgages:

Mortgage Debt	Maturity Date	December 31, 2019 Principal Balance	December 31, 2019 Interest Rate/ Weighted Average Interest Rate	December 31, 2018 Principal Balance	December 31, 2018 Interest Rate/ Weighted Average Interest Rate
		(in thousands)		(in thousands)	
West Oaks II and Spring Meadows Place	4/1/2020	$ —	— %	$ 25,804	6.50 %
Bridgewater Falls Shopping Center	2/6/2022	53,423	5.70 %	54,514	5.70 %
The Shops on Lane Avenue	1/10/2023	28,650	3.76 %	28,650	3.76 %
Nagawaukee II	6/1/2026	5,508	5.80 %	6,166	5.80 %
		$ 87,581	5.07 %	$ 115,134	5.40 %
Unamortized premium		1,995		2,948	
Unamortized deferred financing costs		—		(73)	
Total		$ 89,576		$ 118,009	

The fixed rate mortgages are secured by properties that have an approximate net book value of $151.4 million as of December 31, 2019.

The mortgage loans encumbering our properties are generally nonrecourse, subject to certain exceptions for which we would be liable for any resulting losses incurred by the lender. These exceptions vary from loan to loan but generally include fraud or a material misrepresentation, misstatement or omission by the borrower, intentional or grossly negligent conduct by the borrower that harms the property or results in a loss to the lender, filing of a bankruptcy petition by the borrower, either directly or indirectly and certain environmental liabilities. In addition, upon the occurrence of certain events, such as fraud or filing of a bankruptcy petition by the borrower, we or our joint ventures would be liable for the entire outstanding balance of the loan, all interest accrued thereon and certain other costs, including penalties and expenses.

Junior Subordinated Notes

On April 30, 2019, we redeemed all of our outstanding junior subordinated notes due 2038, which accrued interest at a variable rate of LIBOR plus 3.30% for an aggregate purchase price of $28.6 million, consisting of the outstanding principal amount and accrued and unpaid interest as of the redemption date. In conjunction with this redemption, we wrote off unamortized deferred financing costs of $0.6 million, which is included as loss on extinguishment of debt in the consolidated statement of operations and comprehensive income.

Finance lease

At December 31, 2019 we had a finance ground lease at our Buttermilk Towne Center with the City of Crescent Springs, Kentucky with a gross carrying value of $13.2 million classified as land. Total amounts expensed as interest relating to this lease were $0.1 million for each of the years ended December 31, 2019, 2018, and 2017.

Covenants

Our revolving credit facility, senior unsecured notes and term loan facilities contain financial covenants relating to total leverage, fixed charge coverage ratio, interest coverage, tangible net worth, levels of secured debt to total asset value and various other calculations. As of December 31, 2019, management believes we were in compliance with these covenants.

The following table presents scheduled principal payments on mortgages and notes payable and capital lease payments as of December 31, 2019:

Year Ending December 31,	**Principal Payments**	**Finance Lease Payments**
	(In thousands)	
2020	$ 2,326	$ 100
2021	39,508	100
2021	52,397	100
2023	129,388	100
2024	125,879	100
Thereafter	583,083	800
Subtotal debt	932,581	1,300
Unamortized mortgage premium	1,995	—
Unamortized deferred financing costs	(3,768)	—
Amounts representing interest	—	(374)
Total	$ 930,808	$ 926

9. Acquired Lease Intangible Liabilities, Net

Acquired lease intangible liabilities, net were $38.9 million and $48.6 million as of December 31, 2019 and 2018, respectively. The lease intangible liabilities relate to below-market leases and are being accreted over the applicable terms of the acquired leases, which resulted in an increase in revenue of $7.6 million, $11.4 million, and $6.4 million for the years ended December 31, 2019, 2018 and 2017, respectively.

We completed one acquisition in 2019 and the purchase price allocation included $0.4 million of acquired lease intangible liabilities.

10. Fair Value

We utilize fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Derivative instruments (interest rate swaps) are recorded at fair value on a recurring basis. Additionally, we, from time to time, may be required to record other assets at fair value on a nonrecurring basis. As a basis for considering market participant assumptions in fair value measurements, GAAP establishes three fair value levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The assessed inputs used in determining any fair value measurement could result in incorrect valuations that could be material to our consolidated financial statements. These levels are:

Level 1 Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability.

The following is a description of valuation methodologies used for our assets and liabilities recorded at fair value.

Derivative Assets and Liabilities

All of our derivative instruments are interest rate swaps for which quoted market prices are not readily available. For those derivatives, we measure fair value on a recurring basis using valuation models that use primarily market observable inputs, such as yield curves. We classify derivative instruments as Level 2. Refer to Note 11 of notes to the consolidated financial statements for additional information on our derivative financial instruments.

The table below presents the recorded amount of assets and liabilities measured at fair value on a recurring basis as of December 31, 2019 and 2018:

	Balance Sheet Location	Total Fair Value	Level 1	Level 2	Level 3
2019			(In thousands)		
Derivative assets - interest rate swaps	Other assets	$ 2,331	$ —	$ 2,331	$ —
Derivative liabilities - interest rate swaps	Other liabilities	$ (469)	$ —	$ (469)	$ —
2018					
Derivative assets - interest rate swaps	Other assets	$ 4,115	$ —	$ 4,115	$ —
Derivative liabilities - interest rate swaps	Other liabilities	$ —	$ —	$ —	$ —

Other Assets and Liabilities

The carrying values of cash and cash equivalents, restricted cash, receivables and accounts payable and accrued liabilities are reasonable estimates of their fair values because of the short maturity of these financial instruments.

Debt

We estimated the fair value of our debt based on our incremental borrowing rates for similar types of borrowing arrangements with the same remaining maturity and on the discounted estimated future cash payments to be made for other debt. The discount rates used approximate current lending rates for loans or groups of loans with similar maturities and credit quality, assumes the debt is outstanding through maturity and considers the debt's collateral (if applicable). Since such amounts are estimates that are based on limited available market information for similar transactions, there can be no assurance that the disclosed value of any financial instrument could be realized by immediate settlement of the instrument. Fixed rate debt (including variable rate debt swapped to fixed through derivatives) with carrying values of $832.6 million and $935.1 million as of December 31, 2019 and 2018, respectively, have fair values of approximately $848.2 million and $928.2 million, respectively. Variable rate debt's fair value is estimated to be the carrying values of $100.0 million and $28.1 million as of December 31, 2019 and 2018, respectively. We classify our debt as Level 2.

Net Real Estate

Our net real estate, including any identifiable intangible assets, are regularly subject to impairment testing but marked to fair value on a nonrecurring basis. To estimate fair value, we use discounted cash flow models that include assumptions of the discount rates that market participants would use in pricing the asset. To the extent impairment has occurred, we charge to expense the excess of the carrying value of the property over its estimated fair value. We classify impaired real estate assets as nonrecurring Level 3.

The table below presents the recorded amount of assets at the time they were marked to fair value during the years ended December 31, 2019 and 2018 on a nonrecurring basis. We did not have any material liabilities that were required to be measured at fair value on a nonrecurring basis during the years ended December 31, 2019 and 2018:

Assets	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Total Impairment**
			(In thousands)		
2019					
None					
2018					
Income producing properties	$ 85,185	$ —	$ —	$ 85,185	$ (13,434)
Land available for sale	610	—	—	610	(216)
Total	$ 85,795	$ —	$ —	$ 85,795	$ (13,650)

Equity Investments in Unconsolidated Entities

Our equity investments in unconsolidated joint venture entities are subject to impairment testing on a nonrecurring basis if a decline in the fair value of the investment below the carrying amount is determined to be a decline that is other-than-temporary. To estimate the fair value of properties held by unconsolidated entities, we use cash flow models, discount rates, and capitalization rates based upon assumptions of the rates that market participants would use in pricing the asset. To the extent other-than-temporary impairment has occurred, we charge to expense the excess of the carrying value of the equity investment over its estimated fair value. We classify other-than-temporarily impaired equity investments in unconsolidated entities as nonrecurring Level 3.

11. Derivative Financial Instruments

We utilize interest rate swap agreements for risk management purposes to reduce the impact of changes in interest rates on our variable rate debt. We may also enter into forward starting swaps to set the effective interest rate on planned variable rate financing. On the date we enter into an interest rate swap, the derivative is designated as a hedge against the variability of cash flows that are to be paid in connection with a recognized liability. Subsequent changes in the fair value of a derivative designated as a cash flow hedge that is determined to be highly effective are recorded in other comprehensive income ("OCI") until earnings are affected by the variability of cash flows of the hedged transaction. The differential between fixed and variable rates to be paid or received is accrued, as interest rates change, and recognized currently as interest expense in our consolidated statements of operations. We assess effectiveness of our cash flow hedges both at inception and on an ongoing basis. Our cash flow hedges become ineffective if critical terms of the hedging instrument and the debt do not perfectly match such as notional amounts, settlement dates, reset dates, calculation period and LIBOR rate. At December 31, 2019, all of our hedges were effective.

In July 2017, the Financial Conduct Authority, the authority that regulates LIBOR, announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. The Alternative Reference Rates Committee (ARRC) has proposed that the Secured Overnight Financing Rate (SOFR) is the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. ARRC has proposed a paced market transition plan to SOFR from USD-LIBOR and organizations are currently working on industry wide and company specific transition plans as it relates to derivatives and cash markets exposed to USD-LIBOR. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or financing costs to borrowers. We have material contracts that are indexed to USD-LIBOR, and we are monitoring this activity and evaluating the related risks.

As of December 31, 2019, we had seven interest rate swap agreements in effect for an aggregate notional amount of $210.0 million converting our floating rate corporate debt to fixed rate debt. Additionally, in August 2019, we entered into five forward starting interest rate swap agreements for an aggregate notional amount of $150.0 million.

The following table summarizes the notional values and fair values of our derivative financial instruments as of December 31, 2019:

Underlying Debt	Hedge Type	Notional Value	Fixed Rate	Fair Value	Expiration Date
		(In thousands)		(In thousands)	
Derivative Assets					
Unsecured term loan	Cash Flow	$ 50,000	1.460 %	$ 42	05/2020
Unsecured term loan	Cash Flow	20,000	1.498 %	21	05/2021
Unsecured term loan	Cash Flow	15,000	1.490 %	18	05/2021
Unsecured term loan	Cash Flow	40,000	1.480 %	52	05/2021
		$ 125,000		$ 133	
Derivative Assets - Forward Swaps					
Unsecured term loan	Cash Flow	$ 25,000	1.310 %	$ 311	01/2025
Unsecured term loan	Cash Flow	25,000	1.324 %	297	01/2025
Unsecured term loan	Cash Flow	50,000	1.382 %	797	01/2027
Unsecured term loan	Cash Flow	25,000	1.398 %	381	01/2027
Unsecured term loan	Cash Flow	25,000	1.402 %	412	01/2027
Total Derivative Assets		$ 275,000		$ 2,331	
Derivative Liabilities					
Unsecured term loan	Cash Flow	$ 15,000	2.150 %	$ (26)	05/2020
Unsecured term loan	Cash Flow	10,000	2.150 %	(17)	05/2020
Unsecured term loan	Cash Flow	60,000	1.770 %	(426)	03/2023
Total Derivative Liabilities		$ 85,000		$ (469)	

The following table summarizes the notional values and fair values of our derivative financial instruments as of December 31, 2018:

Underlying Debt	Hedge Type	Notional Value	Fixed Rate	Fair Value	Expiration Date
		(In thousands)		(In thousands)	
Derivative Assets					
Unsecured term loan	Cash Flow	$ 15,000	2.150 %	$ 77	05/2020
Unsecured term loan	Cash Flow	10,000	2.150 %	51	05/2020
Unsecured term loan	Cash Flow	50,000	1.460 %	726	05/2020
Unsecured term loan	Cash Flow	20,000	1.498 %	449	05/2021
Unsecured term loan	Cash Flow	15,000	1.490 %	340	05/2021
Unsecured term loan	Cash Flow	40,000	1.480 %	914	05/2021
Unsecured term loan	Cash Flow	60,000	1.770 %	1,558	03/2023
Total Derivative Assets		$ 210,000		$ 4,115	

The effect of derivative financial instruments on our consolidated statements of operations and comprehensive income for the years ended December 31, 2019 and 2018 is summarized as follows:

Derivatives in Cash Flow Hedging Relationship	Amount of Gain (Loss) Recognized in OCI on Derivative		Location of Gain (Loss) Reclassified from Accumulated OCI into Income	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income	
	Year Ended December 31,			Year Ended December 31,	
	2019	2018		2019	2018
	(In thousands)			(In thousands)	
Interest rate contracts - assets	$ (2,950)	$ 360	Interest Expense	$ 1,166	$ 623
Interest rate contracts - liabilities	(620)	246	Interest Expense	151	(39)
Total	$ (3,570)	$ 606	Total	$ 1,317	$ 584

12. Leases

Revenues

Approximate future minimum revenues from rentals under non-cancelable operating leases in effect at December 31, 2019, assuming no new or renegotiated leases or option extensions on lease agreements and no early lease terminations were as follows:

Year Ending December 31,	
	(In thousands)
2020	$ 156,247
2021	140,599
2022	118,922
2023	98,236
2024	79,631
Thereafter	261,228
Total	$ 854,863

We recognized rental income related to variable lease payments of $51.3 million for the year ended December 31, 2019.

Substantially all of the assets included as income producing properties, net on the consolidated balance sheets, relate to our portfolio of wholly owned shopping centers, in which we are the lessor under operating leases with our tenants. As of December 31, 2019, the Company's aggregate portfolio was 94.7% leased.

Approximate future minimum revenues from rentals under non-cancelable operating leases in effect at December 31, 2018, assuming no new or renegotiated leases or option extensions on lease agreements and no early lease terminations were as follows:

Year Ending December 31,		
	(In thousands)	
2019	$	165,132
2020		152,065
2021		132,928
2022		110,472
2023		89,124
Thereafter		286,226
Total	$	935,947

Expenses

We have operating leases for our corporate office in New York, New York and our Southfield, Michigan office, that expire in January 2024 and December 2024, respectively. Our operating lease in New York includes an additional five year renewal and our operating lease in Southfield includes two additional five year renewals which are all exercisable at our option. We also have an operating ground lease at Centennial Shops located in Edina, Minnesota which includes rent escalations throughout the lease period and expires in April 2105. In addition, we have a finance ground lease at our Buttermilk Towne Center with the City of Crescent Springs that expires in December 2032. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expenses for these leases on a straight-line basis over the lease term.

The components of lease expense were as follows:

		Year Ended December 31,		
Statements of Operations	**Classification**	**2019**	**2018**	**2017**
			(In thousands)	
Operating ground lease cost	Non-recoverable operating expense	$ 1,162	$ 1,162	$ 1,162
Operating administrative lease cost	General and administrative expense	859	733	616
Finance lease cost	Interest Expense	51	53	55

Supplemental balance sheet information related to leases is as follows:

Balance Sheet	**Classification**		**December 31, 2019**
			(In thousands)
ASSETS			
Operating lease assets	Operating lease right-of-use assets	$	19,222
Finance lease asset	Land		13,249
Total leased assets		$	32,471
LIABILITIES			
Operating lease liabilities	Operating lease liabilities	$	18,181
Finance lease liability	Finance lease liability		926
Total lease liabilities		$	19,107
Weighted Average Remaining Lease Terms			
Operating leases			70 years
Finance lease			13 years
Weighted Average Incremental Borrowing Rate			
Operating leases			6.06 %
Finance lease			5.23 %

Supplemental cash flow information related to leases is as follows:

		Year Ended December 31, 2019
		(In thousands)
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	1,677
Operating cash flows from finance lease		51
Financing cash flows from finance lease		49

Maturities of lease liabilities as of December 31, 2019 were as follows:

Maturity of Lease Liabilities		**Operating Leases**		**Finance Lease**
		(In thousands)		
2020	$	1,456	$	100
2021		1,469		100
2022		1,482		100
2023		1,495		100
2024		1,118		100
Thereafter		95,478		800
Total lease payments	$	102,498	$	1,300
Less imputed interest		(84,317)		(374)
Total	$	18,181	$	926

Approximate future rental payments at December 31, 2018, under our non-cancelable operating leases, assuming no option extensions are as follows:

Year Ending December 31,	
	(In thousands)
2019	$ 1,631
2020	1,243
2021	1,252
2022	1,262
2023	1,272
Thereafter	94,463
Total	$ 101,123

13. Earnings per Common Share

The following table sets forth the computation of basic earnings per share ("EPS"):

	Year Ended December 31,		
	2019	**2018**	**2017**
	(In thousands, except per share data)		
Net income	$ 93,686	$ 18,036	$ 70,719
Net (income) attributable to noncontrolling interest	(2,175)	(417)	(1,659)
Preferred share dividends and conversion costs	(6,701)	(6,701)	(6,701)
Allocation of income to restricted share awards	(533)	(460)	(429)
Net income available to common shareholders	$ 84,277	$ 10,458	$ 61,930
Weighted average shares outstanding, Basic	79,802	79,592	79,344
Earnings per common share, Basic	$ 1.06	$ 0.13	$ 0.78

The following table sets forth the computation of diluted EPS:

	Year Ended December 31,		
	2019	**2018**	**2017**
	(In thousands, except per share data)		
Net income	$ 93,686	$ 18,036	$ 70,719
Net (income) attributable to noncontrolling interest	(2,175)	(417)	(1,659)
Preferred share dividends and conversion costs (1)	—	(6,701)	(6,701)
Allocation of income to restricted share awards	(533)	(460)	(429)
Net income available to common shareholders	$ 90,978	$ 10,458	$ 61,930
Weighted average shares outstanding, Basic	79,802	79,592	79,344
Restricted share awards using the treasury method	939	496	186
Dilutive effect of securities (1)	6,981	—	—
Weighted average shares outstanding, Diluted	87,722	80,088	79,530
Earnings per common share, Diluted	$ 1.04	$ 0.13	$ 0.78

(1) The assumed conversion of preferred shares is dilutive for the year ended December 31, 2019 and anti-dilutive for all other periods presented.

We exclude certain securities from the computation of diluted earnings per share. The following table presents the outstanding securities that were excluded from the computation of diluted earnings per share and the number of common shares each was convertible into (in thousands):

	Year Ended December 31,					
	2019		2018		2017	
	Issued	**Converted**	**Issued**	**Converted**	**Issued**	**Converted**
Operating Partnership Units	1,909	1,909	1,909	1,909	1,916	1,916
Series D Preferred Shares	—	—	1,849	6,858	1,849	6,740
Performance Share Units	—	—	—	—	98	—
	1,909	1,909	3,758	8,767	3,863	8,656

14. Shareholders' Equity

Underwritten public offerings

We did not complete any underwritten public offerings in 2019, 2018 or 2017.

Controlled equity offerings

In June 2016, we commenced an at-the-market equity program pursuant to which we could sell up to 8.0 million common shares from time to time, in our sole discretion. The sale of such shares issuable pursuant to the distribution agreement was registered with the SEC on our registration statement on Form S-3, which expired in June 2019. We issued no shares under the program in either 2019 or 2018.

Non-Controlling Interests

As of December 31, 2019, 2018 and 2017 we had 1,909,018, 1,909,018 and 1,916,403 OP Units outstanding, respectively. OP Unit holders are entitled to exchange their units for our common shares on a 1:1 basis or for cash. The form of payment is at our election. During 2018 and 2017, there were 7,385 and 926 OP Units converted for cash in the amount of $0.1 million and $0.0 million, respectively. During 2019 there were no units converted for cash.

Preferred Shares

As of December 31, 2019, 2018 and 2017 we had 1,848,539 shares of 7.25% Series D Cumulative Convertible Perpetual Preferred Shares of Beneficial Interest ("Preferred Shares"), outstanding that have a liquidation preference of $50 per share and a par value of $0.01 per share. The Preferred Shares were convertible at any time by the holders to our common shares at a conversion rate of $13.24, $13.48 and $13.71 per share as of December 31, 2019, 2018 and 2017, respectively. The conversion rate is adjusted quarterly. The Preferred Shares are also convertible under certain circumstances at our election. The holders of the Preferred Shares have no voting rights. At December 31, 2019, 2018, and 2017, the Preferred Shares were convertible into approximately 7.0 million, 6.9 million and 6.7 million shares of common stock, respectively.

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

	Year Ended December 31,					
	2019		2018		2017	
	Declared	Paid	Declared	Paid	Declared	Paid
Common shares	$ 0.880	$ 0.880	$ 0.880	$ 0.880	$ 0.880	$ 0.880
Preferred shares	$ 3.625	$ 3.625	$ 3.625	$ 3.625	$ 3.625	$ 3.625

A summary of the income tax status of dividends per share paid is as follows:

	Year Ended December 31,		
	2019	2018	2017
Common shares			
Ordinary dividend [1]	$ 0.250	$ 0.214	$ 0.686
Capital gain distribution	0.376	—	0.034
Non-dividend distribution	0.254	0.666	—
	$ 0.880	$ 0.880	$ 0.720
Perpetual Preferred Shares			
Ordinary dividend [1]	$ 1.448	$ 3.482	$ 2.725
Capital gain distribution	2.177	—	0.137
	$ 3.625	$ 3.482	$ 2.862

[1] Represents qualified REIT dividends that may be eligible for the 20% qualified business income deduction under Section 199A of the Internal Revenue Code if 1986, as amended, that is available for non-corporate taxpayers and is included in "Ordinary Dividends".

The fourth quarter common shares distribution for 2019, which was paid on January 2, 2020, has been treated as paid on January 2, 2020 for income tax purposes. The fourth quarter distribution for 2018 which was paid on January 2, 2019, has been treated as paid on January 2, 2019 for income tax purposes.

The fourth quarter Preferred Shares distribution for 2019, which was paid on January 2, 2020, has been treated as paid on January 2, 2020 for income tax purposes. The fourth quarter preferred shares distribution for 2018, which was paid on January 2, 2019 has been treated as paid on January 2, 2019 for income tax purposes.

Dividend reinvestment plan

We have a dividend reinvestment plan that allows for participating shareholders to have their dividend distributions automatically invested in additional common shares based on the average price of the shares acquired for the distribution.

15. Share-Based Compensation and Other Benefit Plans

Incentive, Inducement and Stock Option Plans

As of December 31, 2019, we have two share-based compensation plans in effect: 1) the 2019 Omnibus Long-Term Incentive Plan (“2019 LTIP”) and 2) the Inducement Incentive Plan (“Inducement Plan”). On April 29, 2019, our shareholders approved the 2019 LTIP, which replaced the 2012 Omnibus Long-Term Incentive Plan (“2012 LTIP”). The 2019 LTIP is administered by the compensation committee of the Board (the “Compensation Committee”). The 2019 LTIP provides for the award to our trustees, officers, employees and other service providers of restricted shares, restricted share units, options to purchase shares, share appreciation rights, unrestricted shares, and other awards to acquire up to an aggregate of 3.5 million common shares of beneficial interest plus any shares that become available under the 2012 LTIP as a result of the forfeiture, expiration or cancellation of outstanding awards or any award settled in cash in lieu of shares under such plan. As of December 31, 2019, there were 3.4 million shares of beneficial interest available for issuance under the 2019 LTIP. The Inducement Plan was approved by the Board in April 2018 and under such plan the Compensation Committee may grant, subject to any Company performance conditions as specified by the Compensation Committee, restricted shares, restricted share units, options and other awards to individuals who were not previously employees or members of the Board as an inducement to the individual's entry into employment with the Company. The Inducement Plan allows us to issue up to 6.0 million common shares, of which 5.4 million common shares remained available for issuance as of December 31, 2019; however, we do not intend to make further awards under the Inducement Plan following adoption of the 2019 LTIP.

The following share-based compensation plans have been terminated, except with respect to awards currently outstanding under each plan:

- 2012 LTIP which allowed for the grant of restricted shares, restricted share units, options and other awards to trustees, officers and other key employees;
- The 2009 Omnibus Long-Term Incentive Plan ("2009 LTIP") which allowed for the grant of restricted shares, restricted share units, options and other awards to trustees, officers and other key employees; and
- The 2008 Restricted Share Plan for Non-Employee Trustees (the "Trustees' Plan") which allowed for the grant of restricted shares to non-employee trustees of the Company.

We recognized total share-based compensation expense of $6.5 million, $6.7 million, and $4.4 million for 2019, 2018, and 2017, respectively.

Restricted Stock Share-Based Compensation

Under the 2012 LTIP, Inducement Plan and 2019 LTIP, the Company has made grants of service-based restricted shares, performance-based cash awards and performance-based equity awards.

The service-based restricted share awards to employees vest over three years or five years and the compensation expense is recognized on a graded vesting basis. The service-based restricted share awards to trustees vest over one year. We recognized expense related to service-based restricted share grants of $3.5 million for the year ended December 31, 2019, $4.7 million for year ended December 31, 2018 and $2.7 million for the year ended December 31, 2017.

A summary of the activity of service-based restricted shares under the 2012 LTIP, the Inducement Plan and the 2019 LTIP for the years ended December 31, 2019, 2018 and 2017 is presented below:

	2019		2018		2017	
	Number of Shares	**Weighted-Average Grant Date Fair Value**	**Number of Shares**	**Weighted-Average Grant Date Fair Value**	**Number of Shares**	**Weighted-Average Grant Date Fair Value**
Outstanding, beginning of the year	354,029	$ 13.05	412,195	$ 15.58	327,543	$ 17.02
Granted	272,711	12.10	492,871	12.99	210,895	14.22
Vested	(174,343)	13.04	(478,863)	13.57	(119,134)	16.66
Forfeited or expired	(2,754)	13.16	(72,174)	13.96	(7,109)	14.75
Outstanding, end of the year	449,643	$ 12.40	354,029	$ 13.05	412,195	$ 15.58

As of December 31, 2019, we had 65,481 unvested service-based share awards outstanding under the 2019 LTIP, 145,952 unvested service-based share awards outstanding under the Inducement Plan, and 238,210 unvested service-based share awards outstanding under the 2012 LTIP. These awards have various expiration dates through March 2023.

The performance-based awards are earned subject to a future performance measurement based on a three-year shareholder return peer comparison (the "TSR Grants"). Pursuant to ASC 718 – Stock Compensation, we determine the grant date fair value of TSR Grants that will be settled in cash, and any subsequent re-measurements, based upon a Monte Carlo simulation model. We will recognize the compensation expense ratably over the requisite service period. We are required to re-value the cash awards at the end of each quarter using the same methodology as was used at the initial grant date and adjust the compensation expense accordingly. If at the end of the three-year measurement period the performance criterion is not met, compensation expense related to the cash awards previously recognized would be reversed. We recognized compensation expense of $1.1 million, $0.9 million and $1.5 million related to these performance awards recorded during the years ended December 31, 2019, 2018 and 2017, respectively. The weighted average assumptions used in the Monte Carlo simulation models are summarized in the following table:

	December 31, 2019	December 31, 2018
Closing share price	$15.04	$11.95
Expected dividend rate	5.9 %	7.4 %
Expected stock price volatility	22.6 %	24.9 %
Risk-free interest rate	1.6 %	2.6 %
Expected life (years)	2.00	1.00

The Company also determines the grant date fair value of the TSR Grants that will be settled in equity based upon a Monte Carlo simulation model and recognizes the compensation expense ratably over the requisite service period. These equity awards are not re-valued at the end of each quarter. The compensation cost will be recognized regardless of whether the performance criterion are met, provided the requisite service has been provided. We recognized compensation expense of $1.9 million, $1.1 million, and $0.2 million related to these performance awards recorded during the years ended December 31, 2019 2018 and 2017, respectively. The fair value of each grant for the reported periods is estimated on the date of grant using the Monte Carlo simulation model using the weighted average assumptions noted in the following table:

	Year Ended December 31,		
	2019	2018	2017
Closing share price	$12.05	$11.89 - $13.09	$14.72
Expected dividend rate	7.3 %	6.7% - 7.4%	6.0 %
Expected stock price volatility	22.9 %	21.5% - 21.8%	18.2 %
Risk-free interest rate	2.5 %	2.3% - 2.7%	1.6 %
Expected life (years)	2.85	2.40 - 2.85	2.82

As of December 31, 2019, we had $6.1 million of total unrecognized compensation expense related to unvested restricted shares and performance based equity and cash awards. This expense is expected to be recognized over a weighted-average period of 1.7 years.

Stock Option Share-Based Compensation

When we grant options, the fair value of each option granted, used in determining the share-based compensation expense, is estimated on the date of grant using the Black-Scholes option-pricing model. This model incorporates certain assumptions for inputs including risk-free rates, expected dividend yield of the underlying common shares, expected option life and expected volatility.

No options were granted under any of our plans in the years ended December 31, 2019, 2018 and 2017.

The following table reflects the stock option activity for all plans described above:

	2019			2018			2017		
	Shares Under Option	Weighted-Average Exercise Price		Shares Under Option	Weighted-Average Exercise Price		Shares Under Option	Weighted-Average Exercise Price	
Outstanding, beginning of the year	—	$	—	—	$	—	57,140	$	34.69
Granted	—		—	—		—	—		—
Exercised	—		—	—		—	—		—
Forfeited or expired	—		—	—		—	(57,140)		34.69
Outstanding, end of the year	—	$	—	—	$	—	—	$	—
Exercisable, end of the year	—	$	—	—	$	—	—	$	—

Other Benefit Plan

The Company has a defined contribution profit sharing plan and trust (the "Plan") with a qualified cash or deferred 401(k) arrangement covering all employees. Participation in the Plan is discretionary for all full-time employees who have attained the age of 21. The entry date eligibility is the first pay date of a quarter following the date of hire. Our expense for the years ended December 31, 2019, 2018 and 2017 was approximately $0.2 million, $0.2 million and $0.2 million, respectively.

16. Taxes

Income Taxes

We conduct our operations with the intent of meeting the requirements applicable to a REIT under sections 856 through 860 of the Code. In order to maintain our qualification as a REIT, we are required to distribute annually at least 90% of our REIT taxable income, excluding net capital gain, to our shareholders. As long as we qualify as a REIT, we will generally not be liable for federal corporate income taxes.

Certain of our operations, including property management and asset management, as well as ownership of certain land, are conducted through our TRSs which allows us to provide certain services and conduct certain activities that are not generally considered as qualifying REIT activities.

Deferred tax assets and liabilities reflect the impact of temporary differences between the amounts of assets and liabilities for financial reporting purposes and the bases of such assets and liabilities as measured by tax laws. Deferred tax assets are reduced by a valuation allowance to the amount where realization is more likely than not assured after considering all available evidence, including expected taxable earnings and potential tax planning strategies. Our temporary differences primarily relate to deferred compensation, depreciation, impairment charges and net operating loss carryforwards.

As of December 31, 2019, we had a federal and state deferred tax asset of $7.5 million and a valuation allowance of $7.5 million, which represents an increase of $0.1 million from December 31, 2018. Our deferred tax assets, such as net operating losses and land basis differences, are reduced by an offsetting valuation allowance where there is uncertainty regarding their realizability. We believe that it is more likely than not that the results of future operations will not generate sufficient taxable income to recognize the deferred tax assets. These future operations are primarily dependent upon the profitability of our TRSs, the timing and amounts of gains on land sales, and other factors affecting the results of operations of the TRSs.

If in the future we are able to conclude it is more likely than not that we will realize a future benefit from a deferred tax asset, we will reduce the related valuation allowance by the appropriate amount. If this occurs, it will result in a net deferred tax asset on our balance sheet and an income tax benefit of equal magnitude in our statement of operations in the period we made the determination.

During the years ended December 31, 2019, 2018 and 2017, we recorded an income tax provision of approximately $0.2 million, $0.2 million, and $0.1 million, respectively.

We had no unrecognized tax benefits as of or during the three year period ended December 31, 2019. We expect no significant increases or decreases in unrecognized tax benefits due to changes in tax positions within one year of December 31, 2019. No material interest or penalties relating to income taxes were recognized in the statement of operations for the years ended December 31, 2019, 2018, and 2017 or in the consolidated balance sheets as of December 31, 2019, 2018, and 2017. It is our accounting policy to classify interest and penalties relating to unrecognized tax benefits as tax expense. As of December 31, 2019, returns for the calendar years 2016 through 2019 remain subject to examination by the Internal Revenue Service ("IRS") and various state and local tax jurisdictions. As of December 31, 2019, certain returns for calendar year 2015 also remain subject to examination by various state and local tax jurisdictions.

Sales Tax

We collect various taxes from tenants and remit these amounts, on a net basis, to the applicable taxing authorities.

17. Commitments and Contingencies

Construction Costs

In connection with the development and expansion of various shopping centers as of December 31, 2019, we had entered into agreements for construction costs of approximately $6.5 million.

Litigation

We are currently involved in certain litigation arising in the ordinary course of business. We are not aware of any matters that would have a material effect on our consolidated financial statements.

Development Obligations

As of December 31, 2019, the Company has $2.2 million of development related obligations that require annual payments through December 2043.

Guarantee

A redevelopment agreement was entered into between the City of Jacksonville, the Jacksonville Economic Development Commission and the Company, to construct and develop River City Marketplace in 2005. As part of the agreement, the city agreed to finance up to $12.2 million of bonds. Repayment of the bonds is to be made in accordance with a level-payment amortization schedule over 20 years, and repayments are made out of tax revenues generated by the redevelopment. The remaining debt service payments due over the life of the bonds, including principal and interest, are $9.1 million. As part of the redevelopment, the Company executed a guaranty agreement whereby the Company would fund debt service payments if incremental revenues were not sufficient to fund repayment. There have been no payments made by the Company under this guaranty agreement to date.

Environmental Matters

We are subject to numerous federal, state and local environmental laws, ordinances and regulations in the areas where we own or operate properties. We are not aware of any contamination which may have been caused by us or any of our tenants that would have a material effect on our consolidated financial statements.

As part of our risk management activities, we have applied and been accepted into state sponsored environmental programs which will expedite and assure satisfactory compliance with environmental laws and regulations should contaminants need to be remediated. We also have an environmental insurance policy that covers us against third party liabilities and remediation costs.

While we believe that we do not have any material exposure to environmental remediation costs, we cannot give absolute assurance that changes in the law or new discoveries of contamination will not result in additional liabilities to us.

18. Reorganization

In connection with the reorganization of the executive management team, we recorded one-time employee termination benefits of $0.6 million and $7.5 million for the years ended December 31, 2019 and December 31, 2018, respectively. In connection with the reduction-in-force resulting from the reorganization of the Company's operating structure, we recorded one-time employee termination benefits of $0.8 million for the year ended December 31, 2018. Such charges are reflected in the consolidated statements of operations in general and administrative expense.

19. Subsequent Events

On February 3, 2020 we entered into four interest swap agreements for an aggregate notional amount of $100.0 million.

20. Selected Quarterly Financial Data (Unaudited)

The following table sets forth summarized quarterly financial data for the year ended December 31, 2019:

	Quarters Ended 2019			
	March 31 (1)	June 30 (1)	September 30 (1)	December 31 (1)
	(In thousands, except per share amounts)			
Total revenue	$ 59,708	$ 57,361	$ 58,921	$ 58,098
Operating income	$ 15,430	$ 13,429	$ 14,888	$ 10,275
Net income attributable to RPT	$ 10,443	$ 2,893	$ 5,445	$ 72,730
Net income available to common shareholders	$ 8,768	$ 1,218	$ 3,769	$ 71,055
Earnings per common share, basic: (1)	$ 0.11	$ 0.01	$ 0.05	$ 0.89
Earnings per common share, diluted:(1)	$ 0.11	$ 0.01	$ 0.05	$ 0.83

(1) EPS amounts are based on weighted average common shares outstanding during the quarter and, therefore, may not agree with the EPS calculated for the year ended December 31, 2019.

The following table sets forth summarized quarterly financial data for the year ended December 31, 2018:

	Quarters Ended 2018			
	March 31 (1)	June 30 (1)	September 30 (1)	December 31 (1)
	(In thousands, except per share amounts)			
Total revenue	$ 62,718	$ 69,967	$ 64,217	$ 63,720
Operating income	$ 17,755	$ 14,829	$ 16,240	$ 3,436
Net income attributable to RPT	$ 7,286	$ 4,302	$ 10,125	$ (4,094)
Net income available to common shareholders	$ 5,611	$ 2,627	$ 8,449	$ (5,769)
Earnings per common share, basic: (1)	$ 0.07	$ 0.03	$ 0.10	$ (0.07)
Earnings per common share, diluted:(1)	$ 0.07	$ 0.03	$ 0.10	$ (0.07)

(1) EPS amounts are based on weighted average common shares outstanding during the quarter and, therefore, may not agree with the EPS calculated for the year ended December 31, 2018.

RPT REALTY
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
December 31, 2019

(in thousands of dollars)

	Balance at Beginning of Year	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Year
For the Year Ended December 31, 2019					
Allowance for Doubtful Accounts	$ 858	625	(446)	—	$ 1,037
Straight Line Rent Reserve	$ 2,323	(492)	(6)	—	$ 1,825
For the Year Ended December 31, 2018					
Allowance for Doubtful Accounts	$ 1,374	57	(573)	—	$ 858
Straight Line Rent Reserve	$ 2,667	(337)	(7)	—	$ 2,323
For the Year Ended December 31, 2017					
Allowance for Doubtful Accounts	$ 1,861	298	(929)	144	$ 1,374
Straight Line Rent Reserve	$ 3,245	(500)	(67)	(11)	$ 2,667

RPT REALTY
SCHEDULE III
SUMMARY OF REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2019
(in thousands of dollars)

			INITIAL COST TO COMPANY		Capitalized Subsequent to Acquisition or Improvements, Net of Impairments	GROSS AMOUNTS AT WHICH CARRIED AT CLOSE OF PERIOD					
Property	Location	Encumbrances	Land	Building & Improvements		Land	Building & Improvements	Total	Accumulated Depreciation	Date Constructed	Date Acquired
Bridgewater Falls	OH	$ 53,423	$ 9,831	$ 76,446	$ 681	$ 9,831	$ 77,127	$ 86,958	$ 12,900	2005/2007	2014
Buttermilk Towne Center	KY	—	13,249	21,103	2,603	13,249	23,706	36,955	4,381	2005	2014
Centennial Shops	MN	—	—	29,639	624	—	30,263	30,263	3,472	2008	2016
Central Plaza	MO	—	10,250	10,909	2,519	10,250	13,428	23,678	2,891	1970	2012
Clinton Pointe	MI	—	1,175	10,499	2,581	1,176	13,079	14,255	4,782	1992	2003
Crofton Centre	MD	—	8,012	22,774	1,002	8,012	23,776	31,788	3,271	1974	2015
Cypress Point	FL	—	2,968	17,637	2,282	2,968	19,919	22,887	3,724	1983	2013
Deer Creek Shopping Center	MO	—	6,070	18,105	1,825	6,070	19,930	26,000	3,833	1970's/2013	2013
Deer Grove Centre	IL	—	8,408	8,197	6,572	8,408	14,769	23,177	4,145	1997	2013
Deerfield Towne Center	OH	—	6,868	78,551	11,739	6,868	90,290	97,158	18,696	2004/2007	2013
Front Range Village	CO	—	19,413	80,600	10,799	19,414	91,398	110,812	13,130	2008	2014
Heritage Place	MO	—	13,899	22,506	3,774	13,899	26,280	40,179	7,466	1989	2011
Holcomb Center	GA	—	658	5,953	11,143	658	17,096	17,754	8,925	1986	1996
Hunters Square	MI	—	7,673	52,774	6,511	7,652	59,306	66,958	11,957	1988	2013
Lakehills Plaza	TX	—	17,987	12,828		17,987	12,828	30,815	37	1980/2019	2019
Lakeland Park Center	FL	—	15,365	—	41,102	16,864	39,603	56,467	7,048	2014	2008
Marketplace of Delray	FL	—	7,922	18,910	3,840	7,922	22,750	30,672	2,955	1981/2010	2013
Market Plaza	IL	—	9,391	22,682	(975)	9,391	21,707	31,098	4,529	1965/2009	2015
Merchants' Square	IN	—	4,997	18,346	5,033	4,997	23,379	28,376	6,938	1970	2010
Mount Prospect Plaza	IL	—	11,633	21,767	2,259	9,601	26,058	35,659	4,782	1958/1987/2012	2013
Nagawaukee Shopping Center	WI	5,508	7,549	30,898	4,454	7,517	35,384	42,901	7,037	1994/2004/2008	2012/2013
Olentangy Plaza	OH	—	4,283	20,774	2,488	4,283	23,262	27,545	3,414	1981	2015
Parkway Shops	FL	—	3,145	—	21,521	5,902	18,764	24,666	3,629	2013	2008
Peachtree Hill	GA	—	7,517	17,062	(866)	6,926	16,787	23,713	2,232	1986	2015
Promenade at Pleasant Hill	GA	—	3,891	22,520	6,682	3,440	29,653	33,093	11,209	1993	2004
Providence Marketplace	TN	—	22,171	85,657	1,060	22,171	86,717	108,888	8,736	2006	2017
River City Marketplace	FL	—	19,768	73,859	12,025	11,194	94,458	105,652	31,661	2005	2005
Rivertowne Square	FL	—	954	8,587	2,575	954	11,162	12,116	4,885	1980	1998
Shoppes of Lakeland	FL	—	5,503	20,236	1,029	5,503	21,265	26,768	4,384	1985	1996
Southfield Plaza	MI	—	1,121	10,777	1,384	1,121	12,161	13,282	7,644	1969	1996
Spring Meadows Place	OH	—	2,646	16,758	17,734	5,041	32,097	37,138	13,271	1987	1996
Tel-Twelve	MI	—	3,819	43,181	31,372	3,819	74,553	78,372	37,732	1968	1996
The Shops on Lane Avenue	OH	28,650	4,848	51,273	6,343	4,848	57,616	62,464	7,704	1952/2004	2015
Treasure Coast Commons	FL	—	2,924	10,644	716	2,924	11,360	14,284	2,323	1996	2013
Troy Marketplace	MI	—	4,581	19,041	11,556	6,176	29,002	35,178	4,274	2000/2010	2013

			INITIAL COST TO COMPANY		Capitalized Subsequent to Acquisition or Improvements, Net of Impairments	GROSS AMOUNTS AT WHICH CARRIED AT CLOSE OF PERIOD					
Property	Location	Encumbrances	Land	Building & Improvements		Land	Building & Improvements	Total	Accumulated Depreciation	Date Constructed	Date Acquired
Troy Marketplace II	MI	—	3,790	10,292	590	3,790	10,882	14,672	3,382	2000/2010	2013
Village Lakes Shopping Center	FL	—	862	7,768	7,526	862	15,294	16,156	7,223	1987	1997
Vista Plaza	FL	—	3,667	16,769	469	3,667	17,238	20,905	3,505	1998	2013
Webster Place	IL	—	28,410	21,752	193	28,410	21,945	50,355	2,061	1987	2017
West Broward	FL	—	5,339	11,521	1,263	5,339	12,784	18,123	2,335	1965	2013
West Allis Towne Centre	WI	—	1,866	16,789	17,309	1,866	34,098	35,964	14,696	1987	1996
West Oaks I	MI	—	1,058	17,173	20,891	2,826	36,296	39,122	10,461	1979	1996/2018
West Oaks II	MI	—	1,391	12,519	8,313	1,391	20,832	22,223	10,882	1986	1996
Winchester Center	MI	—	5,667	18,559	8,927	5,667	27,486	33,153	5,394	1980	2013
Woodbury Lakes	MN	—	10,411	55,635	26,874	10,411	82,509	92,920	12,058	2005	2014
Land Held for Future Development [1]	Various	—	28,266	14,026	(13,472)	21,962	6,858	28,820	12	N/A	N/A
TOTALS		$ 87,581	$ 361,216	$ 1,184,296	$ 314,870	$ 353,227	$ 1,507,155	$1,860,382	$ 352,006		

[1] Primarily in Hartland, MI, Lakeland, FL and Jacksonville, FL.

SCHEDULE III
REAL ESTATE INVESTMENT AND ACCUMULATED DEPRECIATION
December 31, 2019

	Year ended December 31,		
	2019	**2018**	**2017**
		(In thousands)	
Reconciliation of total real estate carrying value:			
Balance at beginning of year	$ 2,078,995	$ 2,189,022	$ 2,202,670
Additions during period:			
Acquisition	30,814	6,427	159,332
Improvements	42,824	68,914	56,384
Deductions during period:			
Cost of real estate sold/written off	(292,251)	(171,718)	(219,960)
Impairment	—	(13,650)	(9,404)
Reclassification to held for sale	—	—	—
Balance at end of year	$ 1,860,382	$ 2,078,995	$ 2,189,022
Reconciliation of accumulated depreciation:			
Balance at beginning of year	$ 358,195	$ 351,632	$ 345,204
Depreciation Expense	58,662	63,524	65,720
Cost of real estate sold/written off	(64,851)	(56,961)	(59,292)
Reclassification to held for sale	—	-	—
Balance at end of year	$ 352,006	$ 358,195	$ 351,632
Aggregate cost for federal income tax purposes	$ 1,905,041	$ 2,128,169	$ 2,243,928

Exhibit 4.1

<u>Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, as amended</u>

The summary of the general terms and provisions of the registered securities of RPT Realty ("RPT," the "Trust," "us," "we," or "our") set forth below does not purport to be complete and is subject to, and qualified in its entirety by, and should be read in conjunction with, the applicable provisions of our Declaration of Trust, as amended, restated and supplemental (our "Declaration of Trust"), and our Amended and Restated Bylaws, as amended (our "Bylaws"), each of which are incorporated herein by reference and are filed as exhibits to our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, as well as the applicable provisions of Maryland law.

General

Our Declaration of Trusts provides that we may issue up to 120,000,000 common shares of beneficial interest, $0.01 par value per share ("common shares"), of which 79,890,188 common shares were issued and outstanding as of February 14, 2020, and up to 10,000,000 preferred shares of beneficial interest, $0.01 par value per share ("preferred shares"), of which 2,000,000 preferred shares have been classified and designated as our 7.25% Series D Cumulative Convertible Perpetual Preferred Shares of Beneficial Interest, $0.01 par value per share, with a liquidation preference of $50.00 per share (the "Series D preferred shares"). As of February 14, 2020, 1,848,539 Series D preferred shares were issued and outstanding.

Our common shares and Series D Preferred shares are registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Common Shares

Certain rights that accompany the ownership of our common shares may be subject to the preferential rights of other classes or series of our shares and to the provisions of our Declaration of Trust regarding restrictions on ownership and transfer of our shares.

Dividend Rights

Dividends may be paid to the holders of our common shares if, as and when authorized by our board of trustees and declared by us out of funds legally available therefor, subject to the restrictions on the transfer and ownership of our common shares contained in our Declaration of Trust and the preferential rights of holders of shares of any other class or series of beneficial interest.

Voting Rights

Subject to the provisions of our Declaration of Trust regarding restrictions on the transfer and ownership of shares of beneficial interest and except as may otherwise be specified in the terms of any class or series of common shares, the holders of common shares have the exclusive power to vote on all matters presented to our shareholders unless the term of any outstanding preferred shares give the holders of the preferred shares the right to vote on certain matters or generally. Each outstanding common share entitles the holder to one vote on all matters submitted to a vote of shareholders, including the election of trustees. There is no cumulative voting in the election of trustees, which means that the holders of a majority of the outstanding common shares can elect all of the trustees then standing for election, and the votes held by the holders of the remaining common shares, if any will not be sufficient to elect any trustee.

Distributions on Liquidation

In the event of our liquidation, dissolution or winding up, each share of our common shares would be entitled to share ratably in all of our assets that are legally available for distribution after payment of, or adequate provision for, all of our known debts and other liabilities and subject to any preferential rights of holders of our preferred shares, if any preferred shares outstanding at such time, and to the restrictions on the transfer and ownership of our shares contained in our Declaration of Trust.

Other Rights

Subject to the provisions of our Declaration of Trust regarding restrictions on the transfer and ownership of shares of beneficial interest, each common share has equal distribution, liquidation and other rights, and has no preference, conversion, sinking fund, redemption or preemptive rights.

Pursuant to our Declaration of Trust and Maryland law, certain mergers, any consolidation or sale of all or substantially all of our assets or dissolution require the affirmative vote of at least two-thirds of all the votes entitled to be cast by our shareholders on the matter. Any amendment to our Declaration of Trust, other than an amendment of any of the sections of our Declaration of Trust which provide that the matters described in the foregoing sentence must be approved by a two-thirds vote, requires the affirmative vote of at least a majority of all the votes entitled to be cast by our shareholders on the matter. Subject to any rights of holders of one or more classes or series of our preferred shares to elect one or more trustees, at a meeting of our shareholders, the affirmative vote of at least two-thirds of our shareholders entitled to vote generally in the election of trustees is required in order to remove a trustee. Our Declaration of Trust authorizes our board of trustees to increase or decrease the aggregate number of our authorized shares of beneficial interest and the number of shares of any class or series of beneficial interest without shareholder approval.

Restrictions on Ownership and Transfer - Common Shares

To assist us in complying with certain U.S. federal income tax requirements applicable to real estate investment trusts ("REITs"), among other purposes, we have adopted certain restrictions relating to the transfer and ownership of our common shares. See "Restrictions on Ownership and Transfer" below for more information.

Stock Exchange Listing

Our common shares are listed on the New York Stock Exchange under the symbol "RPT."

Transfer Agent and Registrar

Our transfer agent and registrar for our common shares is American Stock Transfer & Trust Company.

Series D Preferred Shares

Ranking

The Series D preferred shares, with respect to rights to the payment of dividends and the distribution of assets upon our voluntary or involuntary liquidation, dissolution or winding up, will rank (a) senior to our common shares and all other classes or series of our shares of beneficial interest issued in the future that specifically provide that such class or series of shares of beneficial interest ranks junior to the Series D preferred shares as to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up, (b) on a parity with all other classes or series of our shares of beneficial interest issued in the future, other than those referred to in clauses (a) and (c), that specifically provide that such classes or series of shares of beneficial interest rank on a parity with the Series D preferred shares as to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up, and (c) junior to all other classes or series of our shares of beneficial interest issued in the future that specifically provide that such classes or series of shares of beneficial interest rank senior to the Series D preferred shares as to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up.

Dividends

Subject to the preferential rights of holders of any class or series of our shares of beneficial interest ranking senior to the Series D preferred shares as to the payment of dividends, holders of Series D preferred shares are entitled to receive, when, if and as declared by our board of trustees, out of funds legally available for the payment of quarterly cumulative preferential cash dividends, an amount per share equal to 7.25% of the $50.00 liquidation preference per Series D preferred share per annum (equivalent to a fixed annual amount of $3.625 per share), payable in equal amounts of $0.90625 per share quarterly. Dividends on the Series D preferred shares are payable quarterly in arrears on the first day of each January, April, July and October of each year or, if not a business day, then the next succeeding business day. Dividends on the Series D preferred shares will accrue whether or not we have earnings, whether or not there are funds legally available for the payment thereof and whether or not such dividends are authorized. Accrued but unpaid dividends on the Series D preferred shares will not bear interest and holders of the Series D preferred shares will not be entitled to any dividends in excess of full cumulative dividends as described above.

No dividend on the Series D preferred shares will be declared or paid or set apart for payment by our board of trustees if such authorization, declaration, payment or setting apart for payment would violate any of our agreements or is restricted or prohibited by law.

When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series D preferred shares and any other class or series of our shares of beneficial interest ranking on a parity as to the payment of dividends with the Series D preferred shares, all dividends declared upon the Series D preferred shares and any other class or series of shares of beneficial interest ranking on a parity as to the payment of dividends with the Series D preferred shares will be declared pro rata so that the amount of dividends declared per Series D preferred share and such other class or series of our shares of beneficial interest will in all cases bear to each other the same ratio that accumulated dividends per Series D preferred share and such other class or series of shares of beneficial interest (which shall not include any accrual in respect of unpaid dividends for prior dividend periods if such class or series of our shares of beneficial interest does not have a cumulative dividend) bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any dividend payment or payments on the Series D preferred shares which may be in arrears.

Except as provided in the immediately preceding paragraph:

- no dividends will be declared or paid or set apart for payment and no other distribution of cash or other property will be declared or made (other than in our common shares or other class or series of shares of beneficial interest ranking on a parity with or junior to the Series D preferred shares as to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up) on or with respect to any of our common shares or shares of any other class or series of our shares of beneficial interest ranking, as to the payment of dividends or the distribution of assets upon our liquidation dissolution or winding up, on a parity with or junior to the Series D preferred shares; and

- no common shares or any other class or series of shares of beneficial interest ranking junior to or on a parity with the Series D preferred shares as to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up will be redeemed, purchased or otherwise acquired for any consideration (or any money paid or made available for a sinking fund for the redemption of any such class or series of shares of beneficial interest) by us (except by conversion into or exchange for any other class or series of our shares of beneficial interest ranking on a parity with or junior to the Series D preferred shares as to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up or by redemption, purchase or acquisition for the purpose of maintaining our qualification as a REIT);

unless full cumulative dividends on the Series D preferred shares have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all dividend periods ending on or prior to the date of such declaration, payment, set aside, redemption, purchase or acquisition.

Notwithstanding the foregoing, dividends on the Series D preferred shares will accrue whether or not we have earnings, whether or not there are funds legally available for the payment thereof and whether or not such dividends are authorized. Accrued but unpaid dividends on the Series D preferred shares will not bear interest and holders of the Series D preferred shares will not be entitled to any dividends in excess of full cumulative dividends as described above.

Holders of Series D preferred shares will not be entitled to any dividend or other distribution, whether payable in cash, property or shares of any class or series of shares of beneficial interest (including Series D preferred shares) in excess of full cumulative dividends on the Series D preferred shares as described above. Any dividend payment made on the Series D preferred shares will first be credited against the earliest accumulated but unpaid dividend due with respect to such shares which remains payable.

Liquidation Preference

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of the Series D preferred shares will be entitled to receive out of our assets legally available for distribution to our shareholders, remaining after payment or provisions for payment of all of our debts and other liabilities, liquidating distributions, in cash or property at its fair market value as determined by our board of trustees, in the amount of a liquidation preference of $50.00 per share, plus an amount equal to any accumulated and accrued and unpaid dividends (whether or not earned) to (but not including) the date of payment, before any distribution of assets is made to holders of common shares or any other class or series of our shares of beneficial interest ranking junior to the Series D preferred shares as to the distribution of assets upon our liquidation, dissolution or winding up, but subject to the preferential rights of the holders of any class or series of our shares of beneficial interest ranking senior to the Series D preferred shares as to the distribution of assets upon our liquidation, dissolution or winding up. The rights of the holders of the Series D preferred shares to receive their liquidation preference will be subject to the proportionate rights of any other classes or series of shares of beneficial interest ranking on a parity with the Series D preferred shares as to the distribution of assets upon our liquidation, dissolution or winding up.

Voting Rights

Holders of Series D preferred shares generally have no voting rights, except as provided by law. However, if we are in arrears on dividends on the Series D preferred shares for six or more quarterly periods, whether or not consecutive, the holders of Series D Preferred Shares (voting together as a single class with all other classes or series of our shares of beneficial interest ranking on a parity with the Series D preferred shares as to the payment of dividends and the distribution of assets upon our voluntary or involuntary liquidation dissolution or winding up upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional trustees who will each be elected for a one-year term. Such election shall be held at a special meeting of the shareholders and at each subsequent annual meeting until all arrearages and the dividends on the Series D preferred shares and such other series of preferred shares upon which like voting rights have been conferred and are exercisable for the then current dividend period have been fully paid or declared and a sum sufficient for the full payment thereof has been set aside. Vacancies for trustees elected by holders of Series D preferred shares and any other such series of preferred shares shall be filled by the remaining trustee so elected then in office or, if there is no such remaining trustee, by vote of holders of a majority of the outstanding Series D preferred shares, when they have the voting rights described above, and any other such series of preferred shares voting as a single class. A trustee elected by the holders of Series D preferred shares and any other such series of preferred shares may be removed with or without cause and only by vote of holders of a majority of the outstanding Series D preferred shares, when they have the voting rights described above, and any other such series of preferred shares voting as a single class.

In addition, we may not make certain adverse changes to the terms of the Series D preferred shares or authorize, create or issue, or increase the authorized or issued amount of, any class or series of our shares of beneficial interest ranking senior to the Series D preferred shares with respect to the payment of dividends or the distribution of assets upon our liquidation, dissolution or winding up, in each case, as set forth in the articles supplementary that relate to the Series D preferred shares without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series D preferred shares (voting separately as a class).

In any matter in which the Series D preferred shares may vote (as expressly provided in the articles supplementary that relate to the Series D preferred shares), each of the Series D preferred shares shall be entitled to one vote, except that when any other class or series of our preferred shares shall have the right to vote with the Series D preferred shares as a single class on any matter, the Series D preferred shares and such other class or series shall have with respect to such matters one vote per each $50.00 of stated liquidation preference.

Redemption

The Series D preferred shares will not be redeemable by us. However, under certain circumstances, we may at our option cause all outstanding Series D preferred shares to be converted into common shares as described below under "—Mandatory Conversion."

Subject to applicable law, we may purchase Series D preferred shares, at any time, in the open market, by tender or by private agreement. Any Series D preferred shares that we reacquire will be retired and reclassified as authorized but unissued preferred shares, without designation as to class or series, and may thereafter be reissued as any class or series of preferred shares.

Restrictions on Ownership and Transfer - Series D Preferred Shares

To assist us in complying with certain U.S. federal income tax requirements applicable to REITs, among other purposes, we have adopted certain restrictions relating to the transfer and ownership of our Series D preferred shares. The articles supplementary related to the Series D preferred shares provides that no shareholder may own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code of 1986, as amended (the "Code"), nor may any shareholder acquire Series D preferred shares such that (i) if such Series D preferred shares were converted into common shares, such person would own more than 9.8% of the aggregate number of all of our outstanding common shares; or (ii) he would own, more than 9.8% of the aggregate value of our outstanding shares (including common shares and all series and classes of preferred shares). Any direct or indirect ownership of shares of beneficial interest in excess of these ownership limits or the ownership limit set forth in "-Restrictions on Ownership and Transfer" below or that would result in our disqualification as a REIT, including any transfer that results in our shares of beneficial interest being owned by fewer than 100 persons or results in us being "closely held" within the meaning of Section 856(h) of the Code, will be null and void, and the intended transferee will acquire no rights to the shares of beneficial interest. The foregoing restrictions on transferability and ownership contained in our Declaration of Trust will not apply if our board of trustees determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT. Our board of trustees may, in its sole discretion, waive the ownership limits set forth in our Declaration of Trust and in the articles supplementary related to the Series D preferred shares if evidence satisfactory to our board of trustees and tax counsel is presented that the changes in ownership will not then or in the future jeopardize our REIT status and our board of trustees otherwise decides that such action is in our best interest. Our ownership limits may have the effect of delaying, deferring or preventing our change in control. See "Restrictions on Ownership and Transfer" below for more information.

Stock Exchange Listing

Our Series D preferred shares are listed on the New York Stock Exchange under the symbol "RPT.PRD."

Conversion Rights

Each Series D preferred share will be convertible, at any time, at the option of the holder thereof at a current conversion rate of 3.7758 of our common shares per Series D preferred share (the "Conversion Rate") (which represents a current conversion price of approximately $13.24 per common share). The Conversion Rate, and thus the conversion price, is subject to adjustment as described below under "—Conversion Rate Adjustment."

The holders of Series D preferred shares at the close of business on a record date will be entitled to receive the dividend payment on those shares on the corresponding dividend payment date notwithstanding the conversion of such shares following that record date or our failure to pay the dividend due on that dividend payment date. However, Series D preferred shares surrendered for conversion at the option of the holder during the period between the close of business on any record date and the close of business on the business day immediately preceding the applicable dividend payment date must be accompanied by payment of an amount equal to the dividend payable on such shares on that dividend payment date. A holder of Series D preferred shares on a record date who (or whose transferee) surrenders any shares for conversion on the corresponding dividend payment date will receive the dividend payable by us on the Series D preferred shares on that date, and the converting holder need not include payment in the amount of such dividend upon surrender of Series D preferred shares for conversion. Except as provided above with respect to a voluntary conversion and as provided under "—Mandatory Conversion" and "—

Special Rights Upon a Fundamental Change," we will make no payment or allowance for unpaid dividends, whether or not in arrears, on converted shares or for dividends on the common shares issued upon conversion.

The articles supplementary relating to the Series D preferred shares require that we at all times reserve and keep available for issuance upon conversion of the Series D preferred shares a sufficient number of authorized and unissued common shares to permit the conversion of all outstanding Series D preferred shares and that we use our reasonable best efforts to take all action required to increase the authorized number of common shares if at any time there are insufficient unissued common shares to permit such reservation or to permit the conversion of all outstanding Series D preferred shares.

In addition, the articles supplementary relating to the Series D preferred shares provide that any common shares issued upon conversion of the Series D preferred shares will be validly issued, fully paid and nonassessable and that we will use our reasonable best efforts to list the common shares required to be delivered upon conversion of the Series D preferred shares, prior to such delivery, upon each national securities exchange, if any, upon which the outstanding common shares are listed at the time of delivery.

Mandatory Conversion

We may at our option cause all (but not less than all) outstanding Series D preferred shares to be mandatorily converted into a number of common shares for each Series D preferred share equal to the then-prevailing conversion rate for the Series D preferred shares, if the Daily VWAP (as defined below) of our common shares equals or exceeds 130% of the then-prevailing conversion price for at least 20 trading days (as defined in the articles supplementary related to the Series D preferred shares) in a period of 30 consecutive trading days, including the last trading day of such 30-day period, ending on the trading day prior to our issuance of a press release announcing the mandatory conversion as described below.

"Daily VWAP" means the average of the per share volume-weighted average prices of our common shares for each day, as displayed under the heading "Bloomberg VWAP" on Bloomberg page "RPT.UN <Equity> AQR (NYSE VWAP)" (or its equivalent successor if such page is not available) in respect of the period from scheduled open of trading until the scheduled close of trading of the primary trading session on each such trading day (or if such volume-weighted average price is unavailable on any such day, the Closing Sale Price shall be used for such day). The per share volume-weighted average price on each such day will be determined without regard to after hours trading or any other trading outside of the regular trading session trading hours.

The "Closing Sale Price" of our common shares on any date means the closing sale price per share (or if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported on the NYSE or, if our common shares are not listed on the NYSE, on the principal other national securities exchange on which our common shares are then listed or, if our common shares are not listed on a national securities exchange, on the principal other market on which our common shares are then traded. If our common shares are not so listed, the Closing Sale Price will be an amount determined in good faith by our board of trustees to be the fair value of the common shares.

To exercise the mandatory conversion right described above, we must issue a press release for publication on the Dow Jones News Service or Bloomberg Business News (or if either such service is not available, another broadly disseminated news or press release service selected by us) prior to the opening of business on the first trading day following any date on which the conditions described in the first paragraph of this "Mandatory Conversion" section are met, announcing such a mandatory conversion. We also will give notice by mail or by publication (with subsequent prompt notice by mail) to the holders of the Series D preferred shares (not more than four business days after the date of the press release) of the mandatory conversion announcing our intention to convert the Series D preferred shares. The conversion date will be the date (which we refer to as the "Mandatory Conversion Date") that is five trading days after the date on which we issue such press release.

In addition to any information required by applicable law or regulation, the press release and notice of a mandatory conversion shall state, as appropriate:

- the Mandatory Conversion Date;

- the number of our common shares to be issued upon conversion of each Series D preferred share;
- the number of Series D preferred shares to be converted; and
- that dividends on the Series D preferred shares to be converted will cease to accrue on the Mandatory Conversion Date.

On and after the Mandatory Conversion Date, dividends will cease to accrue on the Series D preferred shares that are subject to a mandatory conversion and all rights of holders of such Series D preferred shares will terminate except for the right to receive the common shares issuable upon conversion thereof. The dividend payment with respect to any Series D preferred shares that are subject to a mandatory conversion on a date during the period between the close of business on any record date for the payment of dividends to the close of business on the corresponding dividend payment date will be payable on such dividend payment date to the record holders of such shares on such record date if such shares have been converted after such record date and prior to such dividend payment date. Except as provided in the immediately preceding sentence, no payment or adjustment will be made upon mandatory conversion of any Series D preferred shares for unpaid accrued and accumulated dividends or for dividends with respect to the common shares issued upon such conversion.

We may not authorize or give notice of any mandatory conversion unless, prior to giving the conversion notice, all accumulated and unpaid dividends on the Series D preferred shares for all quarterly dividend periods ending on or prior to the date on which we give such notice shall have been paid.

In addition to the mandatory conversion provision described above, if there are fewer than 150,000 Series D preferred shares outstanding, we may, at our option, cause all such outstanding Series D preferred phares to be converted into the number of whole common shares equal to the greater of (i) the then-prevailing conversion rate of the Series D preferred shares and (ii) the liquidation preference divided by the market value of the common shares as determined on the second trading day immediately prior to the Mandatory Conversion Date. The provisions of the preceding paragraphs shall apply to any such mandatory conversion pursuant to this paragraph; provided, however, that (1) the Mandatory Conversion Date will not be less than 15 calendar days nor more than 30 calendar days after the date on which we issue a press release announcing such mandatory conversion and (2) the press release and notice of mandatory conversion will not state the number of common shares to be issued upon conversion of each Series D Preferred Share.

The term “market value” means the average of the Daily VWAP of our common shares for each day during a 10 consecutive trading day period ending immediately prior to the date of determination.

Conversion Rate Adjustment

The applicable conversion rate for the Series D preferred shares will be subject to adjustment, without duplication, upon the occurrence of any of the following events:

(1) If we issue our common shares as a dividend or distribution on our common shares, or if we effect a share split or share combination, the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

CR_0 = the conversion rate in effect immediately prior to the open of business on the ex-date for such dividend or distribution, or the open of business on the effective date of such share split or share combination, as the case may be;

CR_1 = the conversion rate in effect immediately after the open of business on the ex-date for such dividend or distribution, or the open of business on the effective date of such share split or share combination, as the case may be;

OS_0 = the number of common shares outstanding immediately prior to the open of business on the ex-date for such dividend or distribution, or the open of business on the effective date of such share split or share combination, as the case may be; and

OS_1 = the number of common shares outstanding immediately after such dividend or distribution, or such share split or share combination, as the case may be.

Any adjustment made under this clause (1) shall become effective immediately after the open of business on the ex-date for such dividend or distribution, or immediately after the open of business on the effective date for such share split or share combination. If any dividend or distribution of the type described in this clause (1) is declared but not so paid or made, or any share split or combination of the type described in this clause (1) is announced but the outstanding common shares are not split or combined, as the case may be, the conversion rate shall be immediately readjusted, effective as of the date our board of trustees determines not to pay such dividend or distribution, or not to split or combine our outstanding common shares, as the case may be, to the conversion rate that would then be in effect if such dividend, distribution, share split or share combination had not been declared or announced.

(2) If we distribute to all or substantially all holders of our common shares any rights, options or warrants entitling them, for a period expiring not more than 45 days immediately following the record date of such distribution, to purchase or subscribe for our common shares at a price per share less than the average of the Daily VWAP of our common shares over the 10 consecutive Trading-Day period ending on the Trading Day immediately preceding the Ex-Date for such distribution, the Conversion Rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR_0 = the conversion rate in effect immediately prior to the open of business on the ex-date for such distribution;

CR_1 = the conversion rate in effect immediately after the open of business on the ex-date for such distribution;

OS_0 = the number of our common shares outstanding immediately prior to the open of business on the ex-date for such distribution;

X = the total number of our common shares issuable pursuant to such rights, options or warrants; and

Y = the number of our common shares equal to the aggregate price payable to exercise such rights, options or warrants divided by the average of the Daily VWAP of our common shares over the 10 consecutive trading-day period ending on the trading day immediately preceding the ex-date for such distribution.

Any increase made under this clause (2) will be made successively whenever any such rights, options or warrants are distributed and shall become effective immediately after the open of business on the ex-date for such distribution. To the extent that common shares are not delivered after the expiration of such rights, options or warrants, the conversion rate shall be readjusted to the conversion rate that would then be in effect had the increase with respect to the distribution of such rights, options or warrants been made on the basis of delivery of only the number of common shares actually delivered. If such rights, options or warrants are not so distributed, the conversion rate shall be decreased to be the conversion rate that would then be in effect if such ex-date for such distribution had not occurred.

In determining whether any rights, options or warrants entitle the holders to subscribe for or purchase our common shares at less than such average of the Daily VWAP for the 10 consecutive trading day period ending on the trading day immediately preceding the ex-date for such distribution, and in determining the aggregate offering price of such common shares, there shall be taken into account any consideration received by us for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by our board of trustees in its good faith judgment.

(3) If we distribute shares of beneficial interest, evidences of our indebtedness or other assets, securities or property, to all or substantially all holders of our common shares, excluding:

— dividends or distributions referred to in the first and second clauses above;

— spin-offs to which the provisions set forth in the latter portion of this third clause shall apply; and

— dividends or distributions paid exclusively in cash referred to in the fourth clause below, then the conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR_0 = the conversion rate in effect immediately prior to the open of business on the ex-date for such distribution;

CR_1 = the conversion rate in effect immediately after the open of business on the ex-date for such distribution;

SP_0 = the average of the Daily VWAP of our common shares over the 10 consecutive trading-day period ending on the trading day immediately preceding the ex-date for such distribution; and

FMV = the fair market value (as determined by our board of trustees in its good faith judgment) of the shares of beneficial interest, evidences of indebtedness, assets, securities or property distributable with respect to each outstanding common share on the ex-date for such distribution.

If "FMV" (as defined above) is equal to or greater than the "SP_0" (as defined above), in lieu of the foregoing increase, each holder of a Series D preferred share shall receive in respect of each Series D preferred share owned by it, at the same time and upon the same terms as holders of our common shares, the amount and kind of our shares of beneficial interest, evidences of our indebtedness, other assets, securities or property of ours that such holder would have received as if such holder owned a number of common shares equal to the conversion rate in effect on the ex-date for the distribution.

Any increase made under the above portion of this clause (3) will become effective immediately after the open of business on the ex-date for such distribution.

With respect to an adjustment pursuant to this third clause where there has been a payment of a dividend or other distribution on our common shares of shares of beneficial interest of any class or series, or similar equity interests, of or relating to a subsidiary or other business unit where such shares of beneficial interest or similar equity interest is listed or quoted (or will be listed or quoted upon consummation of the spin-off (as defined below)) on a national securities exchange, which we refer to as a "spin-off," the conversion rate in effect immediately before 5:00 p.m., New York City time, on the tenth trading day immediately following, and including, the ex-date for the spin-off will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV + MP_0}{MP_0}$$

where,

CR_0 = the conversion rate in effect immediately prior to the close of business on the tenth trading day immediately following, and including, the ex-date for the spin-off;

CR_1 = the conversion rate in effect immediately after the close of business on the tenth trading day immediately following, and including, the ex-date for the spin-off;

FMV = the average of the volume-weighted average sale prices of the shares of beneficial interest or similar equity interest distributed to holders of our common shares applicable to one common share over the 10 consecutive trading-day period immediately following, and including, the ex-date for the spin-off; and

MP_0 = the average of the Daily VWAP of our common shares over the 10 consecutive trading-day period immediately following, and including, the ex-date for the spin-off.

The adjustment to the conversion rate under the preceding paragraph will occur at the close of business on the tenth trading day immediately following, and including, the ex-date for the spin-off; provided that, for purposes of determining the conversion rate, in respect of any conversion during the 10 trading days following, and including, the effective date of any spin-off, references within the portion of this clause (3) related to "spin-offs" to 10 consecutive trading days shall be deemed replaced with such lesser number of consecutive trading days as have elapsed between the effective date of such spin-off and the relevant conversion date.

If the dividend or distribution described in this third clause is declared but not paid or made, the new conversion rate shall be readjusted to be the conversion rate that would then be in effect if such dividend or distribution had not been declared.

(4) If any cash dividend or distribution is made to all or substantially all holders of our common shares (excluding any dividend or distribution in connection with our liquidation, dissolution or winding up) during any of our quarterly fiscal periods in an aggregate amount that, together with other cash dividends or distributions made during such quarterly fiscal period, exceeds the product of $0.1633, which we refer to as the reference dividend, multiplied by the number of common shares outstanding on the record date for such distributions, the conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

CR_0 = the conversion rate in effect immediately prior to the open of business on the ex-date for such dividend or distribution;

CR_1 = the conversion rate in effect immediately after the open of business on the ex-date for such dividend or distribution;

SP_0 = the average of the Daily VWAP of our common shares over the 10 consecutive trading-day period immediately preceding the ex-date for such dividend or distribution; and

C = the amount in cash per common share we distribute to holders of our common shares that exceeds the reference dividend.

Such increase shall become effective immediately after the open of business on the ex-date for such dividend or distribution. If such dividend or distribution is not so paid, the conversion rate shall be decreased to be the conversion rate that would then be in effect if such dividend or distribution had not been declared.

If the total per share amount of cash distributed by us as a dividend or in any other distribution to holders of our common shares that would require an adjustment pursuant to this fourth clause is equal to or greater than "SP_0" (as defined above), in lieu of the foregoing increase, each holder of Series D preferred shares shall receive in respect of each Series D preferred share owned by it, at the same time as holders of our common shares receive their dividend or other distribution, an amount of cash equal to C multiplied by the number of common shares equal to the conversion rate in effect on the ex-date for such cash dividend or distribution.

The reference dividend amount is subject to adjustment in a manner inversely proportional to adjustments to the conversion rate; provided that no adjustment will be made to the reference dividend amount for any adjustment made to the conversion rate under this fourth clause.

Notwithstanding the foregoing, if an adjustment is required to be made under this clause (4) as a result of a distribution that is not a regular quarterly dividend, the reference dividend amount will be deemed to be zero.

(5) If we or any of our subsidiaries makes a payment in respect of a tender offer or exchange offer for our common shares, if the cash and value of any other consideration included in the payment per common share exceeds the average of the Daily VWAP of our common shares over the 10 consecutive trading-day period commencing on, and including, the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where,

CR_0 = the conversion rate in effect immediately prior to the close of business on the last trading day of the 10 consecutive trading-day period commencing on, and including, the trading day next succeeding the date such tender or exchange offer expires;

CR_1 = the conversion rate in effect immediately after the close of business on the last trading day of the 10 consecutive trading-day period commencing on, and including, the trading day next succeeding the date such tender or exchange offer expires;

AC = the aggregate value of all cash and any other consideration (as determined in good faith by our board of trustees) paid or payable for shares purchased in such tender or exchange offer;

OS_0 = the number of our common shares outstanding immediately prior to the date such tender or exchange offer expires;

OS_1 = the number of our common shares outstanding immediately after the date such tender or exchange offer expires (after giving effect to such tender offer or exchange offer and excluding fractional shares); and

SP_1 = the average of the Daily VWAP of our common shares over the 10 consecutive trading-day period commencing on, and including, the trading day next succeeding the date such tender or exchange offer expires.

The increase to the conversion rate under the preceding paragraph will occur at the close of business on the tenth trading day immediately following, but excluding, the date such tender or exchange offer expires; provided that, for purposes of determining the conversion rate, in respect of any conversion during the 10 trading days immediately following, but excluding, the date that any such tender or exchange offer expires, references within this clause (5) to 10 consecutive trading days shall be deemed replaced with such lesser number of consecutive trading days as have elapsed between the date such tender or exchange offer expires and the relevant conversion date.

Notwithstanding the foregoing, if (i) a conversion rate adjustment pursuant to any of the foregoing becomes effective on any ex-date as described above and (ii) a holder converting its Series D preferred shares on or after such ex-date and on or prior to the related record date would be treated as the record holder of our common shares as of the related conversion date based on an adjusted conversion rate for such ex-date, then, notwithstanding the foregoing conversion rate adjustment provisions, the conversion rate adjustment relating to such ex-date will not be made for any holder converting Series D preferred shares on or after such ex-date and on or prior to the related record date. Instead, such holder will be treated as if such holder were the record owner of the common shares on an un-adjusted basis and participate in the related dividend, distribution or other event giving rise to such adjustment.

The "ex-date" as used herein is the first date on which our common shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question from us or, if applicable, from the seller of our common shares on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

We are not required to adjust the conversion rate for any of the transactions described in the clauses above (other than for share splits or share combinations) if we make provision for each holder of a Series D preferred share to participate in the transaction, at the same time as holders of our common shares participate, without conversion, as if such holder held a number of our common shares in respect of each Series D preferred share equal to the conversion rate in effect on the ex-date or effective date.

If we issue rights, options or warrants that are only exercisable upon the occurrence of certain triggering events, then the conversion rate will not be adjusted pursuant to the second or third clause above, as applicable, until the earliest of these triggering events occurs and the conversion rate shall be readjusted to the extent any of these rights, options or warrants are not exercised before they expire.

If we have in effect a shareholder rights plan while any of the Series D preferred shares remains outstanding, holders of the Series D preferred shares will receive, upon a conversion of such shares, in addition to such common shares, rights under our shareholder rights agreement unless, prior to conversion, the rights have expired, terminated or been redeemed or unless the rights have separated from our common shares. If the rights provided for in any rights plan that our board of trustees may adopt have separated from our common shares in accordance with the provisions of the applicable shareholder rights agreement so that holders of the Series D preferred shares would not be entitled to receive any rights in respect of our common shares that we deliver upon conversion of the Series D preferred shares, we will adjust the conversion rate at the time of separation as if we had distributed to all holders of our common shares, evidences of indebtedness or other assets or property pursuant to the third clause above, subject to readjustment upon the subsequent expiration, termination or redemption of the rights.

We will not adjust the conversion rate pursuant to the clauses above unless the adjustment would result in a change of at least 1% in the then effective conversion rate. However, we will carry forward any adjustment that is less than 1% of the conversion rate and make such carry forward adjustment in any subsequent adjustment and, regardless of whether the aggregate adjustment is less than 1%, on the conversion date for any Series D preferred shares. In addition, at the end of each fiscal year, we will give effect to any adjustments that we have otherwise deferred pursuant to this provision, and those adjustments will no longer be carried forward and taken into account in any subsequent adjustment. Adjustments to the conversion rate will be calculated to the nearest 1/10,000 of a share.

To the extent permitted by law and the continued listing requirements of NYSE (or any stock exchange on which our common shares may then be listed), we may, from time to time, increase the conversion rate by any amount for a period of at least 20 business days or any longer period permitted or required by law, so long as the increase is irrevocable during that period and our board of trustees determines that the increase is in our best interests. We will mail a notice of the increase to registered holders at least 15 calendar days before the day the increase commences. In addition, we may, but are not obligated to, increase the conversion rate as we determine to be advisable in order to avoid or diminish taxes to recipients of certain distributions.

Upon each adjustment to the conversion rate, a corresponding adjustment shall be made to the conversion price, calculated by dividing the liquidation preference by the adjusted conversion rate.

If certain of the possible adjustments to the conversion rate of the Series D preferred shares are made (or if failures to make certain adjustments occur), a holder of such shares may be deemed to have received a taxable distribution from us even though such holder has not received any cash or property as a result of such adjustments. In the case of a non-U.S. shareholder, we may, at our option, withhold U.S. federal income tax with respect to any such deemed distribution from cash payments of dividends and any other payments in respect of the Series D preferred shares.

Events That Will Not Result In Adjustment

The Conversion Rate will not be adjusted:

- upon the issuance of any of our common shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities;
- upon the issuance of any of our common shares, restricted shares or restricted share units, nonqualified share options, incentive share options or any other options or rights (including share appreciation rights) to purchase our common shares pursuant to any present or future employee, trustee or consultant benefit plan or program of, or assumed by, us or any of our subsidiaries;
- upon the issuance of any common shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in the preceding clause and outstanding as of the date the Series D preferred shares were first issued;
- for unpaid accrued and accumulated dividends, if any;
- upon the repurchase of any common shares pursuant to an open-market share repurchase program or other buy-back transaction that is not a tender offer or exchange offer; or
- for a change in the par value of our common shares.

We shall not take any action that would require an adjustment to the conversion rate such that the conversion price, as adjusted to give effect to such action, would be less than the then-applicable par value per common share, except we may undertake a share split or similar event if such share split results in a corresponding reduction in the par value per common share such that the as-adjusted new effective conversion price per share would not be below the new as-adjusted par value per common share following such share split or similar transaction and the conversion rate is adjusted as provided under the first clause (and/or any such other clause(s) as may be applicable) under "—Conversion Rate Adjustment" above. In addition, the articles supplementary relating to the Series D preferred shares provide that we may not take any action that would result in an adjustment to the conversion rate without complying with any applicable shareholder approval rules of the NYSE or any other stock exchange on which our common shares may be listed at the relevant time.

Except as provided for in the articles supplementary relating to the Series D preferred shares, we will not adjust the conversion rate for any issuance of our common shares or any securities convertible into or exchangeable or exercisable for our common shares or rights to purchase our common shares or such convertible, exchangeable or exercisable securities.

Recapitalizations, Reclassifications and Changes of our Common Shares

In the case of any recapitalization, reclassification or change of our common shares (other than changes resulting from a subdivision or combination), a consolidation, merger or combination involving us, a sale, lease or other transfer to a third party of all or substantially all of the assets of us (or us and our subsidiaries on a consolidated basis), or any statutory share exchange, in each case as a result of which our common shares would be converted into, or exchanged for, shares, other securities, other property or assets (including cash or any combination thereof), then, at the effective time of the transaction, the right to convert each Series D preferred share will be changed into a right to convert such Series D preferred share into the kind and amount of shares, other securities or other property or assets (including cash or any combination thereof) (the "reference property") that a holder would have received in respect of common shares issuable upon conversion of such shares immediately prior to such transaction. If such transaction also constitutes a fundamental change, a holder of our Series D preferred shares who converts its Series D preferred shares in connection with such fundamental change will, if applicable, also be entitled to receive additional common shares in connection with such conversion as described below under "—Special Rights Upon a Fundamental Change," in which case the converting holder would also receive reference property in lieu of such additional common shares. In the event that our common shareholders have the opportunity to elect the form of consideration to be received in such transaction, the reference property into which the Series D preferred shares will be convertible shall be deemed to be the weighted average of elections made by the holders of our Series D preferred shares who participate in such determination. The articles supplementary relating to the Series D preferred shares provide that we may not become a party to any such transaction unless its terms are consistent with the foregoing.

A change in the conversion right described in this "Recapitalizations, Reclassifications and Changes of our Common Shares" could substantially lessen or eliminate the value of the conversion right. For example, if a third party acquires us in a cash merger, each Series D preferred share would be convertible solely into cash and would no longer be potentially convertible into securities whose value could increase depending on our future financial performance, prospects and other factors. There is no precise, established definition of the phrase "all or substantially all" under applicable law. Accordingly, there may be uncertainty as to whether the provisions above would apply to a sale, transfer, lease, conveyance or other disposition of less than all of the consolidated property or assets of us or us and our subsidiaries.

No Fractional Shares

No fractional common shares or securities representing fractional common shares will be issued upon conversion of the Series D preferred shares, whether voluntary or mandatory. Instead, we may elect to either make a cash payment to each holder that would otherwise be entitled to a fractional share or, in lieu of such cash payment, the number of common shares to be issued to any particular holder upon conversion will be rounded up to the nearest whole share.

Special Rights Upon a Fundamental Change

We must give notice of each fundamental change (as defined below) to all record holders of the Series D preferred shares, by the later of 20 business days prior to the anticipated effective date of the fundamental change (the "fundamental change effective date") and the first public disclosure by us of the anticipated fundamental change. In addition, we must give notice announcing the effective date of such fundamental change and certain other matters as set forth under "—Determination of the Make-Whole Premium." If a holder converts its Series D preferred shares at any time beginning at the opening of business on the trading day immediately following the effective date of such fundamental change and ending at the close of business on the 30th trading day immediately following such effective date, such conversion will be deemed to be in connection with the fundamental change and the holder will receive for each Series D preferred shares converted, a number of common shares equal to the greater of:

- (i) the applicable conversion rate (with such adjustment or cash payment for fractional shares as we may elect, as described under "—No Fractional Shares") plus (ii) the make-whole premium, if any, described under "—Determination of the Make-Whole Premium"; and

- the lesser of (i) the liquidation preference divided by the market value of the common shares on the fundamental change effective date and (ii) 7.9808 (subject to adjustment).

In addition, a converting holder will have the right to receive cash in an amount equal to all unpaid accrued and accumulated dividends on such converted Series D preferred shares, whether or not declared prior to that date, for all prior dividend periods ending on or prior to the dividend payment date immediately preceding (or, if applicable, ending on) the conversion date (other than previously declared dividends on our Series D preferred shares payable to holders of record as of a prior date), provided that we are then legally permitted to pay such dividends.

In lieu of issuing the number of common shares issuable upon conversion pursuant to the foregoing provisions, we may, at our option, make a cash payment equal to the market value determined for the period ending on the fundamental change effective date for each such common share otherwise issuable upon conversion. Our notice of fundamental change will specify whether we intend to issue common shares or pay cash upon conversion.

A "fundamental change" will be deemed to have occurred upon the occurrence of any of the following:

(1) any "person" is or becomes the "beneficial owner," directly or indirectly, through a purchase, merger or other transaction, of 50% or more of the total voting power of all classes of our voting shares of beneficial interest;

(2) we consolidate with, or merge with or into, another "person" or any "person" consolidates with or merges with or into us, or we convey, transfer, lease or otherwise dispose of all or substantially all of our assets or all or substantially all of the assets of us and our subsidiaries on a consolidated basis to any "person" (whether in one transaction or a series of related transactions), other than:

   (a) any transaction pursuant to which the holders of our voting shares of beneficial interest immediately prior to the transaction collectively have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all classes of voting stock of the continuing or surviving person immediately after the transaction; or

   (b) any merger solely for the purpose of changing our jurisdiction of formation and resulting in a reclassification, conversion or exchange of outstanding shares of our common shares solely into common shares of the surviving entity;

(3) the first day on which a majority of the members of our board of trustees does not consist of "Continuing Trustees";

(4) we approve a plan of liquidation or dissolution; or

(5) our common shares cease to be listed on a national securities exchange.

"Continuing Trustees" means (i) individuals who on the date of original issuance of the Series D preferred shares constituted our board of trustees or (ii) any new trustees whose election to our board of trustees or whose nomination for election by our shareholders was approved by at least a majority of our trustees then still in office (or a duly constituted committee thereof) who were either trustees on the date of original issuance of the Series D preferred shares or whose election or nomination for election was previously so approved.

The term "beneficially own" as used herein means beneficial ownership as determined in accordance with Rule 13d-3 promulgated by the SEC under the Exchange Act, except that a person will be deemed to own any securities that such person has a right to acquire, whether such right is exercisable immediately or only after the passage of time. The term "person" includes any syndicate or group that would be deemed to be a "person" under Section 13(d)(3) of the Exchange Act and the rules of the SEC thereunder.

"Voting shares of beneficial interest" with respect to any person means the shares of beneficial interest of such person that is at the time entitled, without regard to the occurrence of any contingency, to vote in the election of the board of trustees (or comparable governing body of such person).

Notwithstanding the foregoing, a fundamental change will be deemed not to have occurred in the case of a merger or consolidation if (i) at least 90% of the consideration for our common shares (excluding cash payments for fractional shares and cash payments pursuant to dissenters' appraisal rights) in the merger or consolidation consists of common stock of a corporation or other entity organized and existing under the laws of the United States or any state thereof and traded on a national securities exchange (or which will be so traded when issued or exchanged in connection with such transaction) ("publicly traded common stock") and (ii) as a result of such transaction or transactions the Series D preferred shares become convertible into such publicly traded common stock.

There is no precise, established definition of the phrase "all or substantially all" under applicable law. Accordingly, there may uncertainty as to whether the provisions above would apply to a sale, transfer, lease, conveyance or other disposition of less than all of the consolidated assets of us or of us and our subsidiaries.

This fundamental change conversion feature may make more difficult or discourage a takeover of us and the removal of incumbent management. We are not, however, aware of any specific effort to accumulate our common shares or to obtain control of us by means of a merger, tender offer, solicitation or otherwise. In addition, the fundamental change conversion feature is not part of a plan by management to adopt a series of anti-takeover provisions. Instead, the fundamental change conversion feature is a result of negotiations between us and the underwriters.

Our obligation to issue shares in excess of the conversion rate in connection with a fundamental change as described above could be considered a penalty, in which case its enforceability would be subject to general principles of reasonableness of economic remedies.

Determination of the Make-Whole Premium

If you elect to convert your Series D preferred phares upon the occurrence of a fundamental change, in certain circumstances, we will increase the conversion rate (the "make-whole premium") by reference to the table below.

Holders will be entitled to receive the make-whole premium only with respect to shares surrendered for conversion from and after the opening of business on the trading day immediately following the fundamental change effective date until the close of business on the 30th trading day following such fundamental change effective date.

The increase in the conversion rate will be determined by reference to the table below, based on the fundamental change effective date and the share price (as defined below). If holders of our common shares receive only cash in the transaction constituting a fundamental change, the share price shall be the cash amount paid per share. Otherwise, the share price shall be the average of the Closing Sale Prices of our common shares on the five trading days prior to but excluding the effective date of the transaction constituting a fundamental change.

The following table sets forth the share price paid, or deemed paid, per common share in a transaction that constitutes the fundamental change, the fundamental change effective date and the make-whole premium (expressed as the number of additional common shares that will be added to the conversion rate) to be paid upon a conversion in connection with a fundamental change:

Fundamental Change	**Share price ($)**							
Effective Date	**$12.53**	**$13.50**	**$14.00**	**$15.00**	**$16.00**	**$17.00**	**$18.00**	**$20.00**
April 15, 2018 and thereafter	0.5205	0.4677	0.4239	0.3431	0.2694	0.1971	0.1168	0.0000

Fundamental Change	**Share price ($)**							
Effective Date	**$22.00**	**$24.00**	**$26.00**	**$28.00**	**$30.00**	**$35.00**	**$45.00**	**$50.00**
April 15, 2018 and thereafter	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

The share prices set forth in the table will be adjusted as of any date on which the conversion rate of the Series D preferred shares is adjusted by multiplying the applicable price in effect immediately before the adjustment by a fraction:

- whose numerator is the Conversion Rate immediately before the adjustment; and
- whose denominator is the adjusted Conversion Rate.

In addition, we will adjust the number of additional shares in the table at the same time, in the same manner in which, and for the same events for which, we must adjust the conversion rate as described under "—Conversion Rate Adjustment."

The exact share price and fundamental change effective date may not be set forth on the table, in which case:

- if the share price is between two share prices on the table or the fundamental change effective date is between two fundamental change effective dates on the table, the make-whole premium will be determined by straight-line interpolation between make-whole premium amounts set forth for the higher and lower share prices and the two effective dates, as applicable, based on a 365-day year;

- if the share price is in excess of $50.00 per share (subject to adjustment in the same manner as the share price) no make-whole premium will be paid; and

- if the share price is less than $12.53 per share (subject to adjustment in the same manner as the share price), no make-whole premium will be paid

However, we will not increase the conversion rate as described above to the extent the increase will cause the conversion rate to exceed 3.9904. We will adjust this maximum conversion rate in the same manner in which, and for the same events for which, we must adjust the conversion rate as described under "—Conversion Rate Adjustment."

Our obligation to pay the make-whole premium could be considered a penalty, in which case the enforceability thereof would be subject to general equitable principles of reasonableness of economic remedies.

No later than the third business day after the occurrence of a fundamental change, we will provide to the holders and the transfer agent of the Series D preferred shares a notice of the occurrence of the fundamental change.

We will also issue a press release for publication on the Dow Jones News Service or Bloomberg Business News (or if either such service is not available, another broadly disseminated news or press release service selected by us), or post notice on our website, in any event prior to the opening of business on the first trading day following any date on which we provide such notice to the holders of our Series D preferred shares.

Restrictions on Onwership and Transfer

In order for us to qualify as a REIT, we must not be "closely held" as determined under Section 856(h) of the Code. We will not be considered "closely held" if no more than 50% in value of our outstanding shares of beneficial interest is actually or constructively owned by five or fewer individuals (as determined by applying certain attribution rules under the Code) during the last half of a taxable year (other than the first year for which an election to be treated as a REIT has been made) or during a proportionate part of a shorter taxable year. In addition, in order for us to qualify as a REIT, we must satisfy two gross income tests that require us to derive a certain percentage of our income from certain qualifying sources, including rents from real property. If we, or an owner of 10% or more of our shares, actually or constructively owns 10% or more of one of our tenants (or a tenant of any partnership in which we are a partner), the rent we receive (either directly or through any such partnership) from such tenant (referred to in this section as a "Related Party Tenant") will not be treated as qualifying rent for purposes of the REIT gross income tests. Moreover, in order for us to qualify as a REIT, at least 100 persons must beneficially own our shares during 335 or more days of a taxable year of twelve months or during a proportionate part of a shorter taxable year (other than the first year for which we elected to be treated as a REIT).

In order to assist us in preserving our REIT status, our Declaration of Trust prohibits:

- any person from actually or constructively owning our shares that would cause us to be "closely held" under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT, including by reason of receiving rents from tenants that are "Related Party Tenants" in an amount that would cause us to fail to satisfy one or both of the REIT gross income tests, and

- any person from transferring our shares if the transfer would cause our shares to be beneficially owned by fewer than 100 persons.

In addition, to assist us in avoiding a transfer of shares that would cause us to become "closely held" or the receipt of rent from a Related Party Tenant, our Declaration of Trust, subject to customary exceptions, provides that no holder may actually or constructively own more than the "ownership limit" as determined by applying certain attribution rules under the Code. The "ownership limit" means:

- with respect to our common shares, 9.8%, in value or number of shares, whichever is more restrictive, of our outstanding common shares, and

- with respect to any class or series of our preferred shares, 9.8%, in value or number of shares, whichever is more restrictive, of the outstanding shares of the applicable class or series of our preferred shares.

The attribution rules under the Code are complex and may cause common shares actually or constructively owned by a group of related individuals and/or entities to be treated as being constructively owned by one individual or entity. As a result, the acquisition by an individual or entity of less than 9.8% of our common shares (or the acquisition by an individual or entity of an interest in an entity that actually or constructively owns our common shares) could cause such individual or entity, or another individual or entity, to constructively own in excess of 9.8% of our outstanding common shares and, thus, subject those common shares to the ownership limit.

Our Declaration of Trust provides that our board of trustees may, in its sole discretion and upon the vote of 75% of its members, grant an exemption from the ownership limit with respect to a person (or more than one person) who would not be treated as an "individual" for purposes of the Code if such person submits to the board information satisfactory to the board, in its reasonable discretion, demonstrating that:

- such person is not an "individual" for purposes of the Code,

- such person's share ownership will not cause a person who is an "individual" to be treated as owning common shares in excess of the ownership limit, applying the attribution rules under the Code, and

- such person's share ownership will not otherwise jeopardize our REIT status.

As a condition of a waiver, our board of trustees may, in its reasonable discretion, require undertakings or representations from such person to ensure that the conditions described above are satisfied and will continue to be satisfied for as long as such person owns shares in excess of the ownership limit.

Our Declaration of Trust provides that, under some circumstances, our board of trustees may, in its sole discretion and upon the vote of 75% of its members, grant an exemption for individuals to acquire preferred shares in excess of the ownership limit.

Our Declaration of Trust provides that our board of trustees also has the authority to increase the ownership limit from time to time, but it does not have the authority to do so to the extent that, after giving effect to an increase, five beneficial owners of our common shares could beneficially own in the aggregate more than 49.5% of the value of our outstanding common shares.

Any person who acquires, or attempts or intends to acquire, actual or constructive ownership of our shares that violates or may violate any of the foregoing restrictions on transferability and ownership will be required to give notice to us immediately and provide us with any information that we may request in order to determine the effect of the transfer on our REIT status.

If any purported transfer of our shares or any other event would otherwise result in any person violating the ownership limit or the other restrictions in our Declaration of Trust, then our Declaration of Trust provides that the purported transfer will be void and of no force or effect with respect to the purported transferee as to that number of shares that exceeds the ownership limit and the purported transferee will acquire no right or interest (or, in the case of any event other than a purported transfer, the person or entity holding record title to any shares in excess of the ownership limit will cease to own any right or interest) in those excess shares. Our Declaration of Trust provides that any excess shares described above will be transferred automatically, by operation of law, to a trust, the beneficiary of which will be a qualified charitable organization selected by us. This automatic transfer will be deemed to be effective as of the close of business on the business day (as defined in our Declaration of Trust) prior to the date of the violating transfer.

Within 20 days of receiving notice from us of the transfer of shares to the trust, our Declaration of Trust provides that the trustee of the trust (who will be designated by us and who will not be affiliated with us and the purported transferee or owner) will be required to sell the excess shares to a person or entity who could own those shares without violating the ownership limit and distribute to the purported transferee an amount equal to the lesser of the price paid by the purported transferee for the excess shares or the sales proceeds received by the trust for the excess shares. In the case of any excess shares resulting from any event other than a transfer, or from a transfer for no consideration (such as a gift), our Declaration of Trust provides that the trustee will be required to sell the excess shares to a qualified person or entity and distribute to the purported owner an amount equal to the lesser of the fair market value of the excess shares as of the date of the event or the sales proceeds received by the trust for the excess shares. In either case, any proceeds in excess of the amount distributable to the purported transferee or owner, as applicable, will be distributed to the beneficiary of the trust.

Prior to a sale of any excess shares by the trust, our Declaration of Trust provides that the trustee will be entitled to receive, in trust for the beneficiary, all dividends and other distributions paid by us with respect to the excess shares, and also will be entitled to exercise all voting rights with respect to the excess shares. Subject to Maryland law, effective as of the date that the shares have been transferred to the trust, the trustee will have the authority (at the trustee's sole discretion and subject to applicable law) (1) to rescind as void any vote cast by a purported transferee prior to the discovery by us that its shares have been transferred to the trust and (2) to recast votes in accordance with the desires of the trustee acting for the benefit of the beneficiary of the trust. Our Declaration of Trust provides that any dividend or other distribution paid to the purported transferee or owner (prior to the discovery by us that its shares had been automatically transferred to a trust as described above) will be required to be repaid to the trustee upon demand for distribution to the beneficiary of the trust.
If the transfer to the trust as described above is not automatically effective (for any reason) to prevent violation of the ownership limit, then our Declaration of Trust provides that the transfer of the excess shares will be void.

In addition, our Declaration of Trust provides that our shares held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (1) the price per share in the transaction that resulted in the transfer to the trust (or, in the case of a devise or gift, the fair market value at the time of that devise or gift) and (2) the fair market value of such shares on the date we, or our designee, accept the offer. We will have the right to accept the offer until the trustee has sold the shares of beneficial interest held in the trust. Upon the sale to us, our Declaration of Trust provides that the interest of the beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the purported owner.

All certificates evidencing our shares will bear a legend referring to the restrictions described above and a statement that we will furnish a copy of our Declaration of Trust to a shareholder on request and without charge.

All persons who own, either actually or constructively by application of the attribution rules under the Code, more than 5% (or other percentage between 1/2 of 1% and 5% as provided in applicable rules and regulations under the Code) of the lesser of the number or value of our outstanding shares must give a written notice to us by January 30 of each year. In addition, each shareholder will, upon demand, be required to disclose to us in writing information with respect to the direct, indirect and constructive ownership of our shares that our board of trustees deems reasonably necessary to comply with the provisions of the Code applicable to a REIT, to comply with the requirements of any taxing authority or governmental agency or to determine our compliance with such provisions or requirements.

Certain Provisions of Maryland Law and our Declartion of Trust and Bylaws

Our Board of Trustees

Our Declaration of Trust provides that the number of trustees will be nine, which number may be increased or decreased pursuant to our Bylaws. Our Bylaws provide that a majority of the entire board of trustees may establish, increase or decrease the number of trustees serving on our board of trustees. Any vacancy on our board of trustees, other than a vacancy created as a result of the removal of any trustee by the action of the shareholders, shall be filled, at any regular meeting or at any special meeting called for that purpose, by a majority of the trustees.

Our Declaration of Trust provides that at each annual meeting of shareholders our trustees will be elected to hold office until the next annual meeting of shareholders and until their successors are duly elected and qualify. Holders of our common shares have no right to cumulative voting in the election of trustees. Consequently, the holders of a majority of our common shares will be able to elect all of our trustees at each annual meeting of shareholders. Additionally, in the event that dividends on our Series D preferred shares are in arrears for six or more quarterly periods, whether or not consecutive, the number of trustees then constituting the board will increase by two and the holders of our Series D preferred shares, voting separately as a class with holders of all other series of preferred shares ranking on a parity with the Series D preferred shares and upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of a total of two additional trustees for a limited time.

Removal of Trustees

Our Declaration of Trust provides that, subject to any rights of holders of one or more classes or series of preferred shares to elect and remove one or more trustees, any trustee may be removed at any time, with or without cause, at a meeting of the shareholders, by the affirmative vote of the holders of not less than two-thirds of the shares then outstanding and entitled to vote generally in the election of trustees. If any trustee shall be so removed, our shareholders may take action to fill the vacancy so created. Our Bylaws provide that an individual so elected as trustee by the shareholders shall hold office for the unexpired term of the trustee whose removal created the vacancy.

Business Combinations

Under Maryland law, "business combinations" between a Maryland real estate investment trust and an interested shareholder or an affiliate of an interested shareholder are prohibited for five years after the most recent date on which the interested shareholder becomes an interested shareholder. These business combinations include, among other things specified in the statute, a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested shareholder is defined as:

- any person who beneficially owns ten percent or more of the voting power of the trust's shares; or
- an affiliate or associate of the trust who, at any time within the two-year period prior to the date in question, was the beneficial owner of ten percent or more of the voting power of the then outstanding voting shares of the trust.

A person is not an interested shareholder under the statute if the board of trustees approved in advance the transaction by which such person or entity otherwise would have become an interested shareholder. However, in approving a transaction, the board of trustees may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of trustees.
After the five-year prohibition, any business combination between the Maryland trust and an interested shareholder generally must be recommended by the board of trustees of the trust and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding voting shares of the trust; and

- two-thirds of the votes entitled to be cast by holders of voting shares of the trust other than shares held by the interested shareholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested shareholder.

These super-majority vote requirements do not apply if the trust's common shareholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested shareholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of trustees before the time that the interested shareholder becomes an interested shareholder. Pursuant to the statute, our board of trustees has adopted a resolution that any business combination between us and any other person or entity is exempted from the provisions of the statute described in the preceding paragraphs. This resolution, however, may be altered or repealed, in whole or in part, by our board of trustees at any time.

The business combination statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Control Share Acquisitions

Maryland law provides that holders of control shares of a Maryland real estate investment trust acquired in a control share acquisition have no voting rights with respect to the control shares except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by trustees who are employees of the trust are excluded from shares entitled to vote on the matter. Control shares are voting shares which, if aggregated with all other shares owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing trustees within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the board of trustees of the trust to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the trust may itself present the question at any shareholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the trust may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the trust to redeem control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of shareholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a shareholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply (i) to shares acquired in a merger, consolidation or share exchange if the trust is a party to the transaction or (ii) to acquisitions approved or exempted by the Declaration of Trust or Bylaws.

Our Bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of our shares. This provision of our Bylaws may not be repealed or amended, nor may another provision that is inconsistent with this provision be adopted in either our Bylaws or our Declaration of Trust, except upon the affirmative vote of a majority of all the votes cast by our shareholders at a meeting of shareholders duly called and at which a quorum is present.

Merger; Amendment To The Declaration Of Trust

Under Maryland law, a Maryland REIT generally cannot amend its declaration of trust or merge with another entity, unless approved by the affirmative vote of shareholders holding at least two-thirds of the shares entitled to vote on the matter. However, a Maryland REIT may provide in its declaration of trust for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our Declaration of Trust does not provide for a lesser percentage of shareholder votes for approval of a merger in which we are not the successor but does provide that most amendments to our Declaration of Trust may be approved by the affirmative vote of a majority of all votes entitled to be cast by our shareholders on the matter. However, amendments to provisions of our Declaration of Trust relating to the following: (1) our merger into another entity, (2) our consolidation with one or more other entities into a new entity, (3) the sale, lease, exchange or transfer of all or substantially of our assets, or (4) the termination of our existence must be approved by the affirmative vote of at least two-thirds of all votes entitled to be cast by our shareholders on the matter. Under Maryland law, the declaration of trust of a Maryland REIT may permit the trustees, by a two-thirds vote, to amend the declaration of trust from time to time to qualify as a REIT under the Code or a real estate investment trust under Maryland law governing real estate investment trusts, without the affirmative vote or written consent of the shareholders. Our Declaration of Trust permits such action by our board of trustees.

Transfer of Assets; Consolidation

Our Declaration of Trust provides that, subject to the provisions of any class or series of our shares outstanding, we may merge into another entity, consolidate with another entity or entities into a new entity, or sell, lease, exchange or transfer all or substantially all of our property, if such action is approved by our board of trustees and by the affirmative vote of at least two-thirds of all of the votes entitled to be cast by our shareholders on the matter.

Termination Of The Trust

Subject to the provisions of any class or series of our shares at the time outstanding, our existence may be terminated at any meeting of our shareholders by the affirmative vote of at least two-thirds of all of the votes entitled to be cast by our shareholders on the matter.

Advance Notice Of Trustee Nominations And New Business

Our Bylaws provide that with respect to an annual meeting of shareholders, nominations of persons for election to the board of trustees and the proposal of business to be considered by our shareholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our board of trustees or (3) by any shareholder who was a shareholder of record both at the time of giving notice and at the time of the annual meeting, who is entitled to vote at the meeting and who has complied with the advance notice procedures of our Bylaws. With respect to special meetings of shareholders, only the business specified in our notice of the meeting may be brought before the special meeting. Nominations of persons for election to the board of trustees at a special meeting of shareholders at which trustees are to be elected may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our board of trustees, or (3) provided that the board of trustees has determined that trustees shall be elected at such special meeting, by any shareholder who was a shareholder of record both at the time of giving of notice and at the time of the special meeting, who is entitled to vote at the meeting and who has complied with the advance notice provisions of our Bylaws.

Unsolicited Takeovers

Under certain provisions of Maryland law relating to unsolicited takeovers, a Maryland REIT with a class of equity securities registered under the Securities Exchange Act of 1934, as amended, and at least three independent trustees may elect to be subject to certain statutory provisions relating to unsolicited takeovers which, among other things, would automatically classify our board of trustees into three classes with staggered terms of three years each and vest in our board of trustees the exclusive right to determine the number of trustees and the exclusive right by the affirmative vote of a majority of the remaining trustees, to fill vacancies on the board of trustees, even if the remaining trustees do not constitute a quorum. These statutory provisions also provide that any trustee elected to fill a vacancy shall hold office for the remainder of the full term of the class of trustees in which the vacancy occurred, rather than the next annual meeting of trustees as would otherwise be the case, and until his successor is elected and qualified. Finally, these statutory provisions provide that a special meeting of shareholders need be called only upon the written request of shareholders entitled to cast at least a majority of the votes entitled to be cast at the special meeting.

An election to be subject to any or all of the foregoing statutory provisions may be made in our Declaration of Trust or Bylaws, or by resolution of our board of trustees. Any such statutory provision to which we elect to be subject will apply even if other provisions of Maryland law or our Declaration of Trust or Bylaws provide to the contrary. Through provisions in our Declaration of Trust and Bylaws unrelated to the foregoing statutory provisions, a two-thirds vote is required to remove any trustee from our board of trustees and, unless called by our chairman of the board, our president or one-third of our trustees, the written request of the holders of shares entitled to cast not less than a majority of all the votes entitled to be cast at such meeting is required to call a special meeting of shareholders. If we made an election to be subject to the statutory provisions described above and our board of trustees were divided into three classes with staggered terms of office of three years each, the classification and staggered terms of office of our trustees would make it more difficult for a third party to gain control of our board of trustees since at least two annual meetings of shareholders, instead of one, generally would be required to effect a change in the majority of our board of trustees. Moreover, if we made an election to be subject to the statutory provisions described above, our board of trustees would have the exclusive right to determine the number of trustees and the exclusive right to fill vacancies on the board of trustees, and any trustee elected to fill a vacancy would hold office for the remainder of the full term of the class of trustees in which the vacancy occurred.

We have not elected to become subject to the foregoing statutory provisions relating to unsolicited takeovers. However, we could, by resolutions adopted by our board of trustees and without shareholder approval, elect to become subject to any or all of these statutory provisions.

Anti-Takeover Effect Of Certain Provisions Of Maryland Law, The Declaration Of Trust, And Bylaws

The business combination provisions of Maryland law, if we decide in the future to rescind our election to be exempt therefrom, the control share acquisition provisions of Maryland law, if the applicable provision in our Bylaws is rescinded, the unsolicited takeover provisions of Maryland law, if we elect to become subject thereto, the provisions of our Declaration of Trust on the removal of trustees, the advance notice provisions of our Bylaws, and certain other provisions of our Declaration of Trust and Bylaws, could delay, defer or prevent a transaction or a change in control that might involve a premium price for holders of our common shares or otherwise be in their best interest.

Power To Reclassify Our Shares

Our Declaration of Trust authorizes our board of trustees to classify and reclassify any of our unissued common shares and preferred shares into other classes or series of shares. Prior to issuance of shares of each class or series, our board of trustees is required by Maryland law and by our Declaration of Trust to set, subject to the restrictions on transfer and ownership of shares contained in our Declaration of Trust, the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, our board of trustees could authorize the issuance of preferred shares with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common shares or otherwise be in their best interest.

Power To Increase Our Authorized Capital and to Issue Additional Common Shares And Preferred Shares

Our Declaration of Trust authorizes our board of trustees, without the approval of our shareholders, to amend our Declaration of Trust from time to time to increase or decrease the aggregate number of common shares and/or preferred shares or the number of shares of any class or series that we have authority to issue.

We believe that the power to increase our authorized capital, to issue additional common shares or preferred shares and to classify or reclassify unissued common or preferred shares and thereafter to issue the classified or reclassified shares provides us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs which might arise. These actions can be taken without shareholder approval, unless shareholder approval is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded.

Indemnification of Directors and Officers

The Declaration of Trust permits us, and the Bylaws, require us, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify any trustee or officer or any individual who, while a trustee or officer of the Trust and at the request of the Trust, serves or has served as a director, officer, shareholder, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise (a) against reasonable expenses incurred by him in the successful defense (on the merits or otherwise) of any proceeding to which he is made a party by reason of such status or (b) against any claim or liability to which he may become subject by reason of such status unless it is established that (i) the act or omission was material to the matter giving rise to the procedure and was committed in bad faith or was the result of active and deliberate dishonesty, (ii) he actually received an improper personal benefit in money, property or services, or (iii) in the case of a criminal proceeding, he had reasonable cause to believe that his act or omission was unlawful. We are also required by the Bylaws to pay or reimburse, in advance of a final disposition and without requiring a preliminary determination of the ultimate entitlement to indemnification, reasonable expenses of a trustee or officer made a party to a proceeding by reason of his status as such, provided, however, that in accordance with Maryland law, we have received a written affirmation by the trustee or officer of his good faith belief that he has met the applicable standard for indemnification under such Bylaws and a written undertaking to repay such expenses if it shall ultimately be determined that the applicable standard was not met. We may, with the approval of the board of trustees, provide such indemnification and advance for expenses to any trustee or officer, or any former trustee or officer, who served a predecessor of the Trust and to any employees or agents of the Trust or a predecessor of the Trust.

Maryland law also permits the declaration of trust of a REIT to include a provision limiting the liability of trustees and officers to the trust and shareholders for money damages, except to the extent that it is provided that the trustee or officer actually received an improper benefit or profit in money, property or services or a judgment or other final adjudication adverse to the trustee or officer is entered in a proceeding based on a finding that the trustee or officer's action or failure to act was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. The Declaration of Trust contains a provision providing for elimination of the liability of the Trust's trustees and officers or the Trust's shareholders for money damages to the maximum extent permitted by Maryland law in effect from time to time.

The Trust has purchased a policy of Directors' and Officers' insurance that insures both the Trust and its officers and trustees against expenses and liabilities of the type normally insured against under such policies, including the expenses of indemnification described above.

Exhibit 10.4

SUMMARY OF COMPENSATION FOR
THE BOARD OF TRUSTEES OF
RPT REALTY

The following table sets forth the compensation program for non-employee Trustees:

Annual cash retainer [1]	$	60,000
Additional cash retainer:		
Chairman		100,000
Audit Committee chair		25,000
Compensation Committee chair		15,000
Nominating and Governance Committee chair		15,000
Annual equity retainer (value of restricted shares) [2]		100,000

(1) The annual cash retainer is equal to $160,000 less the grant date fair value, which approximates $100,000, of the restricted shares granted in the applicable year.

(2) Grants are made under the Trust's 2019 LTIP. The restricted shares vest over one year. The grant is made on July 1st or, if not a business day, the business day prior to July 1st. During 2019, 7,693 shares were granted to each Trustee that was in service as of the July 1st date.

The Trust also reimburses all Trustees for all expenses incurred in connection with attending any meetings or performing their duties as Trustees.

Exhibit 21.1

Subsidiaries

Name	Jurisdiction
RPT Realty, Inc.	Michigan
RPT Realty, L.P.	Delaware
Ramco Lion LLC	Delaware
Ramco/Lion Venture L.P.	Delaware
RPT R2G Investor LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated February 20, 2020, with respect to the consolidated financial statements, schedules, and internal control over financial reporting included in the Annual Report of RPT Realty on Form 10-K for the year ended December 31, 2019. We hereby consent to the incorporation by reference of said reports in the Registration Statements of RPT Realty on Form S-3 (File No. 333-232007) and on Forms S-8 (File No. 333-232008, File No. 333-22557, File No. 333-182514, File No. 333-160168, and File No. 333-121008).

/s/ GRANT THORNTON LLP

Chicago, Illinois
February 20, 2020

Exhibit 31.1

CERTIFICATIONS

I, Brian L. Harper, certify that:

1. I have reviewed this annual report on Form 10-K of RPT Realty;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

/s/ BRIAN L. HARPER
Brian L. Harper
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Michael P. Fitzmaurice, certify that:

1. I have reviewed this annual report on Form 10-K of RPT Realty;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

/s/ MICHAEL P. FITZMAURICE
Michael P. Fitzmaurice
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of RPT Realty (the “Company”), hereby certifies, to such officers's knowledge that:

- the Annual Report on Form 10-K for the year ended December 31, 2019 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification shall not be deemed “filed” for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

/s/ BRIAN L. HARPER
Brian L. Harper
President and Chief Executive Officer
February 20, 2020

Exhibit 32.2

CERTIFICATION
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of RPT Realty (the “Company”), hereby certifies, to such officers's knowledge that:

- the Annual Report on Form 10-K for the year ended December 31, 2019 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification shall not be deemed “filed” for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

/s/ MICHAEL P. FITZMAURICE
Michael P. Fitzmaurice
Executive Vice President and Chief Financial Officer
February 20, 2020

BOARD OF TRUSTEES

PRINCIPAL OFFICERS

BRIAN HARPER
President &
Chief Executive Officer

MICHAEL FITZMAURICE
Executive Vice President
& Chief Financial Officer

TIMOTHY COLLIER
Executive Vice President
Leasing

RAYMOND MERK
Senior Vice President &
Chief Accounting Officer

VINCENT CHAO
Senior Vice President
Finance

JONATHAN KRAUSCHE
Senior Vice President
Development

MICHAEL McBRIDE
Senior Vice President
Asset Management

HEATHER OHLBERG
Senior Vice President
Legal Counsel & Secretary

COURTNEY SMITH
Senior Vice President
Investments

DEANNA CAIN
Head of Human
Resources

TURNING COMMERCIAL GROUND INTO COMMON GROUND

RPT

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